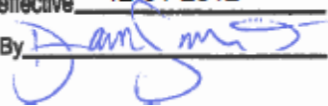


☐ AMERISURE MUTUAL INSURANCE COMPANY**COMMON POLICY DECLARATIONS**  
☒ AMERISURE INSURANCE COMPANY

<b>NAMED INSURED AND ADDRESS</b> CARDINAL BUILDING MATERIALS, INC. C/O TOM LIESSE 3634 PENRIDGE ST. LOUIS, MO 63044		<b>POLICY NUMBER</b>
		CPP1293482-17
		<b>PRIOR NUMBER</b>
		CPP1293482-16
		<b>ACCOUNT NUMBER</b>
		10875350
<b>AGENCY NAME AND ADDRESS</b> CORNERSTONE INSURANCE GROUP, LLC PO BOX 419151, 721 EMERSON ROAD, SUITE 500 ST. LOUIS, MO 63141		<b>AGENCY CODE</b>
		306674-150
		<b>AGENCY TELEPHONE NUMBER</b>
		314-373-2900
<b>POLICY PERIOD</b> FROM 12-31-12 TO 12-31-13		12:01 A.M. Standard Time at the address of the Named Insured
		<b>AUDIT PERIOD</b>
		ANNUAL
<b>BUSINESS DESCRIPTION:</b> FORM OF BUSINESS: CORPORATION TYPE OF BUSINESS: BUILDING MATERIALS		
THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.		
COMMERCIAL PROPERTY COVERAGE PART COMMERCIAL GENERAL LIABILITY COVERAGE PART COMMERCIAL CRIME COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL AUTO COVERAGE PART		<b>PREMIUM</b> \$78,040
<b>CERTIFICATION</b> The undersigned certifies this to be a full, true and correct copy of policy # <u>CPP1293482-17</u> effective <u>12-31-2012</u> By <u></u>		
<b>TOTAL ESTIMATED PREMIUM</b> (Billing statement to be mailed separately)		\$78,040
IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.		
<b>FORMS AND ENDORSEMENTS APPLICABLE:</b> M1089(05-09), ENDT A		<b>PAYMENT INFORMATION</b> <input type="checkbox"/> AGENCY BILL <input checked="" type="checkbox"/> DIRECT BILL

Countersigned: Date: \_\_\_\_\_ By: \_\_\_\_\_

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M 10 00 03 95

EXHIBIT 1

## **AMERISURE INSURANCE COMPANY**

26777 Halsted Road, Farmington Hills, MI 48331-3586  
Phone 1-800-257-1900

### **ASSIGNMENT**

Assignment of this policy is valid only with the written consent of this Company.

### **POLICY CONTENT**

This policy is made and accepted subject to the foregoing provisions and stipulations and those which follow. These provisions, in addition to those added by amendment or endorsement are a part of this policy.

This policy consists of the Common Policy Declarations, Coverage Parts and endorsements listed in that Declarations form. In return for the payment of the premium, the Company agrees with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy.

### **PARTICIPATION**

This policy is non-assessable. You may participate in the distribution of dividends to the extent and upon the conditions fixed and determined by the Board of Directors. Dividends cannot be guaranteed. Any distribution will be made in accordance with law.

The Company has by its authorized representative executed and attested to these provisions as reflected below.

  
Secretary

  
President

ENDORSEMENT NO. A

## **NAMED INSURED ENDORSEMENT**

The Named Insured and Mailing Address portion in the Declarations are amended to read as follows:

CARDINAL BUILDING MATERIALS, INC.  
CARDINAL WINDOW MANUFACTURING, INC.  
H. STONE, LLC AS RESPECTS TO 3634 PENNRIDGE, BRIDGETON, MO  
PARTNERS GROUP, LLC (AS RESPECTS TO 605 ARROW LANE, O'FALLON, IL AND 3760  
PENNRIDGE DRIVE, BRIDGETON, MO 63044)  
MOELLER-REIMER, A CARDINAL WINDOW COMPANY  
BTL, LLC AS RESPECTS TO 125 RESOURCE DRIVE, WENTZVILLE, MO  
GRANITE CITY, LLC AS RESPECTS TO RT 111 & STATE HIGHWAY 35, GRANITE CITY, IL  
MOELLER-REIMER, LLC

**POLICY NUMBER:** CPP1293482

**INSURED:** CARDINAL BUILDING MATERIALS, INC.

## COMMAND<sup>®</sup> DECLARATIONS COMMERCIAL OUTPUT PROGRAM

POLICY NUMBER: CPP1293482

COMPANY NAME: AMERISURE INSURANCE COMPANY

PRODUCER NAME AND NUMBER: CORNERSTONE INSURANCE GROUP, LLC

NAME OF INSURED: CARDINAL BUILDING MATERIALS, INC.

MAILING ADDRESS:

C/O TOM LIESSE  
3634 PENNRIDGE  
ST. LOUIS, MO 63044

POLICY PERIOD: From: 12-31-12 To: 12-31-13  
at 12:01 a.m. Standard Time at your mailing address shown above.

IN RETURN FOR YOUR PAYMENT OF THE PREMIUM, WE PROVIDE THE INSURANCE AS DESCRIBED IN THIS POLICY.

BUSINESS DESCRIPTION: CORPORATION

MORTGAGE HOLDER NAME AND MAILING ADDRESS:

FIRST STATE BANK OF ST. LOUIS  
120 JEFFERSON  
ST. CHARLES, MO 63303  
FIRST BANK, EILEEN SPRATT  
11901 OLIVE BLVD, LOWER LEVEL  
ST. LOUIS, MO 63141

LOCATION ADDRESS:

605 ARROW LANE, O'FALLON, MO

ALL

FORMS APPLICABLE TO ALL COVERAGES:

SEE CDS7101(02-06)

### RATES AND PREMIUM

#### A. Nonreporting

Premium \$ 78,040

#### B. Reporting

1. Deposit Premium	\$ N/A
2. Minimum Annual Premium	\$
3. Reporting Period	
4. Premium Adjustment Period	
5. Rates	\$

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CO DS 70 00 02 06

## COMMAND® SCHEDULE OF COVERAGES COMMERCIAL OUTPUT PROGRAM

(The information required to complete this schedule will be shown below or on the "schedule of coverages".)

**Catastrophe Limit** -- The most "we" pay for any combination of or total of losses arising under one or more coverages in any one occurrence is: **Limit of Insurance**  
\$ \_\_\_\_\_

### PROPERTY COVERAGE PART

#### LIMITS

- Building Property Limit -- The most "we" pay for loss at any one "covered location" is: \$ \_\_\_\_\_
- Business Personal Property Limit -- The most "we" pay for loss at any one "covered location" is: \$ \_\_\_\_\_
- or
- Combined Blanket Limit -- The most "we" pay for loss at any one "covered location" is: \$ \_\_\_\_\_
- [ ] Refer to Scheduled Locations

#### COVERAGE EXTENSIONS

- Consequential Loss \$ \_\_\_\_\_
- Damage From Theft \$ \_\_\_\_\_
- Debris Removal, Additional Expense \$ \_\_\_\_\_
- Emergency Removal \_\_\_\_\_ days
- Emergency Removal Expense \$ \_\_\_\_\_
- Fraud and Deceit \$ 10,000
- Off Premises Utility Service Interruption Limit \$ \_\_\_\_\_
- [ ] Overhead Transmission Lines Excluded
- Newly Built or Acquired Buildings - \$1,000,000 for loss to each building or structure in any single "occurrence" unless shown differently. \$ \_\_\_\_\_
- Business Personal Property - Acquired Locations - \$500,000 for loss to business personal property at acquired locations in any one "occurrence" unless shown differently. \$ \_\_\_\_\_

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**SUPPLEMENTAL COVERAGES**

-- Brands or Labels Expense	\$ _____
-- Expediting Expense	\$ _____
-- Inventory and Appraisal Expense	\$ _____
-- Ordinance or Law (Undamaged Parts of a Building)	<input type="checkbox"/> Yes <input type="checkbox"/> No
-- Ordinance or Law (Increased Cost to Repair/Cost to Demolish and Clear Site)	\$ _____
-- Personal Effects	\$ _____
-- Pollutant Cleanup and Removal	\$ _____
-- Recharge of Fire Extinguishing Equipment	\$ _____
-- Rewards (N/A FOR NEW YORK)	\$ _____
-- Trees, Shrubs and Plants	\$ _____

**SUPPLEMENTAL MARINE COVERAGES**

-- Accounts Receivable	\$ _____
-- Electrical or Magnetic Disturbance of Computers	<input type="checkbox"/> Yes <input type="checkbox"/> No
-- Power Supply Disturbance of Computers	<input type="checkbox"/> Yes <input type="checkbox"/> No
-- Hacking Coverage	
- Limit any one occurrence	\$ _____
- Limit any 12 month period	\$ _____
-- Fine Arts	\$ _____
-- Off Premises Computers	\$ _____
-- Property On Exhibition	\$ _____
-- Property In Transit	\$ _____
-- Sales Representative Samples	\$ _____
-- Software Storage	\$ _____
-- Valuable Papers	\$ _____

**ADDITIONAL PROPERTY SUBJECT TO LIMITATIONS**

-- Furs (theft)	\$ 10,000
-- Jewelry (theft)	\$ 10,000
-- Stamps, Tickets, Letters of Credit	\$ 5,000

**COVERAGE OPTIONS** (check if applicable)

<input type="checkbox"/> Actual Cash Value Applies	
<input checked="" type="checkbox"/> Automatic Increase	4 _____ %

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- ☐ Scheduled Locations
- Newly Built or Acquired Buildings \$ \_\_\_\_\_
  - Personal Property – Acquired Locations \$ \_\_\_\_\_
  - Locations “You” Elect Not to Describe \$ \_\_\_\_\_
  - Coinsurance \_\_\_\_\_ %

## DEDUCTIBLE

Check One

- ☒ Deductible Amount \$ \_\_\_\_\_
- Deductible Endorsement Options**
- ☒ Scheduled Perils (CO 12 34)
  - ☒ Scheduled Locations and Property (CO 12 35)
  - ☐ Property and Income Coverage Deductible (CO 12 80)
  - ☐ Equipment Breakdown Deductible
  - ☐ Wind and Hail Deductible (CP 76 05)

## INCOME COVERAGE PART

**COVERAGE** (check one)

- ☐ Income Coverage Does Not Apply
- ☐ Earnings, Rents and Extra Expense
- ☒ Earnings and Extra Expense
- ☐ Rents and Extra Expense
- ☒ Extra Expense Only

**LIMIT** (check one)

- ☐ Income Coverage Limit – The most “we” pay for loss at any one “covered Location” is: \$ \_\_\_\_\_
- ☒ Refer to Scheduled Locations (check if applicable)

## COVERAGE EXTENSIONS

- ☐ Interruption By Civil Authority \_\_\_\_\_ days
- ☐ Period of Loss Extension \_\_\_\_\_ days

## SUPPLEMENTAL COVERAGES

- Computer Hacking
  - Limit any one occurrence \$ \_\_\_\_\_
  - Limit any 12 month period \$ \_\_\_\_\_
  - Waiting Period \_\_\_\_\_

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- Dependent Locations \$ \_\_\_\_\_
- Pollutants Cleanup and Removal \$ \_\_\_\_\_
- Property in Transit, on Exhibition or Custody of Sales Representatives \$ \_\_\_\_\_

**COVERAGE OPTIONS** (check if applicable)

- ☐ Scheduled Locations
  - Newly Built or Acquired Locations \$ \_\_\_\_\_
  - Coinsurance \_\_\_\_\_ %
- ☐ Waiting Period \_\_\_\_\_
- ☐ Monthly Limitation \_\_\_\_\_

**EXTRA EXPENSE EXPANDED**

**EXTRA EXPENSE ONLY – EXPANDED RESTORATION PERIOD**

**Limits on Loss Payment**

- ☐ 30% -- 60% -- 90% -- 100%
- ☐ 25% -- 50% -- 75% -- 100%
- ☐ 20% -- 40% -- 80% -- 100%

**FLOOD COVERAGE**

- ☒ Not Covered
- ☐ Scheduled Flood Coverage
  - "Catastrophe Limit" \$ \_\_\_\_\_
  - Flood Deductible (\$, %) \_\_\_\_\_
- ☐ Blanket Flood Coverage
  - "Occurrence Limit" \$ \_\_\_\_\_
  - "Aggregate Limit" \$ \_\_\_\_\_
  - "Catastrophe Limit" \$ \_\_\_\_\_
  - Flood Deductible (\$, %) \_\_\_\_\_

**EARTHQUAKE COVERAGE**

- ☐ Not Covered
- ☒ Scheduled Earthquake Coverage
  - "Catastrophe Limit" \$ See CO1062(04-02)
  - Earthquake Deductible (\$, %) 5% Total Insured Values
- ☐ Blanket Earthquake Coverage
  - "Occurrence Limit" \$ \_\_\_\_\_
  - "Aggregate Limit" \$ \_\_\_\_\_

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- "Catastrophe Limit" \$ \_\_\_\_\_  
- Earthquake Deductible (\$,% ) \_\_\_\_\_

#### EQUIPMENT BREAKDOWN

-- Deductible – Property Damage \$ 2,500  
-- Deductible – Business Income and Extra Expense # of days  
Average Daily Value (ADV) 1 \_\_\_\_\_ days

#### SPOILAGE COVERAGE

##### ☐ BLANKET SPOILAGE COVERAGE

###### **Spoilage Limits**

Location Limit – The most "we" pay for loss at any one  
"covered location" is:

\$ \_\_\_\_\_

Catastrophe Limit – The most "we" pay for loss in any one  
occurrence is:

\$ \_\_\_\_\_

###### **Spoilage Deductible**

\$ \_\_\_\_\_

**Additional Conditions** (check if applicable)

☐ Selling Price Valuation

☐ Refrigeration, Maintenance or Service Agreement

##### ☐ SCHEDULED SPOILAGE COVERAGE

###### **Spoilage Limits**

Catastrophe Limit – The most "we" pay for loss in any one  
occurrence is:

\$ \_\_\_\_\_

###### **Spoilage Deductible**

\$ \_\_\_\_\_

**Additional Conditions** (check if applicable)

☐ Selling Price Valuation

☐ Refrigeration, Maintenance or Service Agreement

**Perils Covered** (check if applicable)

☐ Refrigerant Contamination (Other Causes of Loss)

☐ Power Disruption (Other Causes of Loss)

#### OPTIONAL COVERAGES AND ENDORSEMENTS

Income Coverage Part:

Earnings and Extra Expense applies to location #3

Extra Expense applies to location #1, #2, and #8

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## COMMAND® SCHEDULE OF FORMS AND ENDORSEMENTS

NAMED INSURED	EFFECTIVE DATE	POLICY NUMBER
CARDINAL BUILDING MATERIALS, INC.	12-31-12	CPP1293482
CL0167 (05-05)		
CL0170 (04-02)		
CO0323(01-10)		
CL0100 (03-99)		
CL0600 (01-08)		
CL0700 (10-06)		
CO1062 (04-02)		
CO1065 (04-02)		
CO1072 (04-02)		
CO1080(11-03)		
CO1202(04-02)		
CO1221 (04-02)		
CO1227 (05-02)		
CO1232 (04-02)		
CO1233 (04-02)		
CO1234 (04-02)		
CO1238 (04-02)		
CP7600(02-06)		
CP7601 (02-06)		
CP7609 (09-07)		
CP7624(07-10)		
CP7630(12-11)		

**COMMAND® SCHEDULED LOCATIONS**

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Coverage provided by the Commercial Output Program coverage parts applies only to the "covered locations" described below. Refer to "schedule of coverages" for applicable "limits", additional coverages, and applicable coinsurance percentage if not shown below.

**SCHEDULE**

Loc.  
No.

**Covered Location (describe)**

LOC 1, 2, 3, AND 8 BLANKET BUILDING

LOC 1, 2, 3, 7 AND 8 BLANKET BPP (INCLUDING BPP OF OTHERS)

LOC 1, 2, AND 3 BLANKET STOCK

Covered Property/ Coverage Provided (describe)	Check if ACV* applies	Limit	Coinsurance
BLANKET BUILDING	<input type="checkbox"/>	\$ 9,759,139	90 %
BLANKET BPP	<input type="checkbox"/>	\$ 3,778,035	90 %
BLANKET STOCK	<input type="checkbox"/>	\$ 3,339,936	90 %

Loc.  
No.

**Covered Location (describe)**

Covered Property/ Coverage Provided (describe)	Check if ACV* applies	Limit	Coinsurance
	<input type="checkbox"/>	\$	%
	<input type="checkbox"/>	\$	%
	<input type="checkbox"/>	\$	%

\*ACV represents values on an Actual Cash Value basis

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**COMMAND® SCHEDULED LOCATIONS**

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Coverage provided by the Commercial Output Program coverage parts applies only to the "covered locations" described below. Refer to "schedule of coverages" for applicable "limits", additional coverages, and applicable coinsurance percentage if not shown below.

**SCHEDULE**

**Loc.  
No.**

**Covered Location (describe)**

1

4565 MCCREE AVENUE

ST. LOUIS, MO 63110

**Covered Property/  
Coverage Provided (describe)**

**Check if  
ACV\* applies**

**Limit**

**Coinsurance**

BLANKET BUILDING

☐

\$ 2,748,639

90 %

BLANKET BPP

☐

\$ 792,849

90 %

BLANKET STOCK

☐

\$ 1,169,848

90 %

**Loc.  
No.**

**Covered Location (describe)**

1

4565 MCCREE AVENUE

ST. LOUIS, MO 63110

**Covered Property/  
Coverage Provided (describe)**

**Check if  
ACV\* applies**

**Limit**

**Coinsurance**

EXTRA EXPENSE

☐

\$ 227,778

N/A %

☐

\$

%

☐

\$

%

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CO DS 71 02 02 06

**COMMAND® SCHEDULED LOCATIONS**

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Coverage provided by the Commercial Output Program coverage parts applies only to the "covered locations" described below. Refer to "schedule of coverages" for applicable "limits", additional coverages, and applicable coinsurance percentage if not shown below.

**SCHEDULE**

**Loc. No.**      **Covered Location (describe)**

2      2699 CLEARLAKE  
SPRINGFIELD, IL 62703

<b>Covered Property/ Coverage Provided (describe)</b>	<b>Check if ACV* applies</b>	<b>Limit</b>	<b>Coinsurance</b>
<u>BLANKET BUILDING</u>	<input type="checkbox"/>	<u>\$ 846,895</u>	<u>90</u> %
<u>BLANKET BPP</u>	<input type="checkbox"/>	<u>\$ 62,815</u>	<u>90</u> %
<u>BLANKET STOCK</u>	<input type="checkbox"/>	<u>\$ 526,437</u>	<u>90</u> %

**Loc. No.**      **Covered Location (describe)**

2      2699 CLEARLAKE  
SPRINGFIELD, IL 62703

<b>Covered Property/ Coverage Provided (describe)</b>	<b>Check if ACV* applies</b>	<b>Limit</b>	<b>Coinsurance</b>
<u>EXTRA EXPENSE</u>	<input type="checkbox"/>	<u>\$ 62,693</u>	<u>N/A</u> %
<u>MINE SUBSIDENCE</u>	<input type="checkbox"/>	<u>\$ 750,000</u>	<u>90</u> %
<u> </u>	<input type="checkbox"/>	<u>\$</u>	<u> </u> %

\*ACV represents values on an Actual Cash Value basis

**COMMAND® SCHEDULED LOCATIONS**

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Coverage provided by the Commercial Output Program coverage parts applies only to the "covered locations" described below. Refer to "schedule of coverages" for applicable "limits", additional coverages, and applicable coinsurance percentage if not shown below.

**SCHEDULE**

**Loc.  
No.**

**Covered Location (describe)**

3

3634 PENNRIDGE

BRIDGETON, MO 63044

**Covered Property/  
Coverage Provided (describe)**

**Check if  
ACV\* applies**

**Limit**

**Coinsurance**

BLANKET BUILDING

☐

\$ 5,354,856

90 %

BLANKET BPP

☐

\$ 2,480,771

90 %

BLANKET STOCK

☐

\$ 1,643,651

90 %

**Loc.  
No.**

**Covered Location (describe)**

3

3634 PENNRIDGE

BRIDGETON, MO 63044

**Covered Property/  
Coverage Provided (describe)**

**Check if  
ACV\* applies**

**Limit**

**Coinsurance**

BUSINESS INCOME/EXTRA EXPENSE

☐

\$ 520,028

90 %

☐

\$

%

☐

\$

%

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CO DS 71 02 02 06

**COMMAND® SCHEDULED LOCATIONS**

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Coverage provided by the Commercial Output Program coverage parts applies only to the "covered locations" described below. Refer to "schedule of coverages" for applicable "limits", additional coverages, and applicable coinsurance percentage if not shown below.

**SCHEDULE**

**Loc.  
No.**

**Covered Location (describe)**

7

STORAGE UNIT #B13 AT

3760 PENNRIDGE DRIVE

BRIDGETON, MO 63044

**Covered Property/  
Coverage Provided (describe)**

**Check if  
ACV\* applies**

**Limit**

**Coinsurance**

BLANKET BPP

☐

\$ 41,600

90 %

☐

\$

%

☐

\$

%

**Loc.  
No.**

**Covered Location (describe)**

8

605 ARROW LANE

O'FALLON, MO 63366

**Covered Property/  
Coverage Provided (describe)**

**Check if  
ACV\* applies**

**Limit**

**Coinsurance**

BLANKET BUILDING

☐

\$ 808,749

90 %

BLANKET BPP

☐

\$ 400,000

90 %

EXTRA EXPENSE

☐

\$ 25,000

N/A %

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CO DS 71 02 02 06

AAIS  
CL 0167 05 05  
Page 1 of 1

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## **GUARANTY ASSOCIATION COVERAGE LIMITATIONS MISSOURI**

**No coverage is provided by this notice, nor does it replace any provision of your policy. You should read your policy for complete information on the coverages you are provided. If there are any discrepancies between the policy and this summary, THE PROVISIONS OF THE POLICY GOVERN.**

If "we" are a member of the Missouri Property and Casualty Insurance Guaranty Association (the Association), and subject to the provisions of the Missouri Property and Casualty Insurance Guaranty Association Act (the Act), the Association will pay claims covered under the Act if "we" become insolvent.

The Act contains various exclusions, conditions, and limitations that control a claimant's eligibility to collect payment from the Association and affect the amount of any payment.

In accordance with other provisions of the Act, the following limitations apply:

1. claims covered by the Association do not include a claim by or against an insured of an insolvent insurer if the insured has a net worth of more than \$25 million, as defined by Section 375.772 RSMo., on the date the insurer becomes insolvent.
2. payments made by the Association for covered claims will include only the amount of each claim which is less than \$300,000.

However, the Association will not:

- a. pay any amounts greater than the applicable limit of insurance of the policy from which a claim arises; or
- b. return to an insured any unearned premium in excess of \$25,000.

These limitations have no effect on the coverage provided by this policy.

---

CL 0167 05 05



AAIS  
CL 0170 04 02  
Page 1 of 1

This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## AMENDATORY ENDORSEMENT MISSOURI

1. Under the Common Policy Conditions, the Cancellation condition is deleted and replaced by:

**Cancellation and Nonrenewal** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel, reduce in amount, adversely modify, or not renew this policy or any of its parts by mailing or delivering written notice sent to "you" at "your" last mailing address known to "us". If notice of cancellation or change is mailed, proof of mailing will be sufficient proof of notice. The notice will state the reason(s) for such action.

"We" will give "you" notice at least ten days before the cancellation or change is effective if this action is based upon one or more of the following reasons:

- a. nonpayment of premium; or
- b. evidence of incendiarism by "you".

If "we" reduce in amount, adversely modify, or cancel this policy for any other reason, "we" will give "you" notice at least 30 days before change or cancellation is effective.

If "we" do not renew this policy, "we" will give "you" notice at least 30 days before nonrenewal is effective, except that only ten days notice is required of the nonrenewal because of incendiarism by "you".

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

2. Under the Common Policy Conditions, the following condition is added:

**Claims History** -- In the case of cancellation or nonrenewal, "we" will furnish a statement of the policy claims history within 30 days of "your" written request.

3. Under the Common Policy Conditions, the following condition is added:

**Renewal** -- If "we" decide to renew this policy subject to an increase in premium of 25% or more, "we" will give notice at least 60 days prior to the expiration date. "Our" notice will be mailed or delivered to "you" at the address on the policy, and to "your" agent.

If "we" fail to meet this notice requirement, "you" will have the option of continuing the policy for the remainder of the notice period plus an additional thirty days at the premium rates for the expiring policy.

Renewal notice is not required unless the increase in premium is 25% or more, exclusive of premium increases due to a change in "your" operations that increases the hazard insured or the loss characteristics, or due to changes in the exposure basis.

CL 0170 04 02

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AAIS  
CO 0323 01 10  
Page 1 of 2

This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## AMENDATORY ENDORSEMENT MISSOURI

1. Under Coverage Extensions, Debris Removal is amended to include the following:

However, "your" failure to report these expenses to "us" in writing within 180 days from the date of direct physical loss to covered property will not be reason to deny "your" claim unless "your" failure to meet the notice requirement operates to prejudice "our" rights under this policy.

2. Under Supplemental Coverages, Pollutant Cleanup and Removal is amended to include the following:

However, "your" failure to report these expenses to "us" in writing within 180 days from the date the covered peril occurs, will not be reason to deny "your" claim unless "your" failure to meet the notice requirement operates to prejudice "our" rights under this policy.

3. Under Perils Excluded, Criminal, Fraudulent, Dishonest or Illegal Acts, item 2.e. of the Property Coverage Part and items 2.a. of the Crime Coverage Parts, if applicable, are amended to include the following:

However, if a loss results from a pattern of domestic violence committed by or at the direction of an insured, this exclusion will not apply to an otherwise covered loss suffered by another insured who did not cooperate with or contribute to the act that caused the loss. The innocent insured must file a police report and complete a sworn affidavit for "us" that includes both the cause of the loss and a pledge to cooperate in any criminal prosecution of the person committing the act causing the loss.

Subject to all other "terms" of this policy, "our" payment to an insured who did not cooperate in or contribute to the act that caused the loss may be limited to that person's insurable interest in the property, less any payment made to a mortgagee or other party with a legal secured interest in the property.

4. What Must Be Done In Case Of Loss is amended to include the following provision:

**Notice Of Our Intent** -- Unless "we" need more time to investigate "your" claim, "we" will give "you" notice of "our" intent to accept or deny "your" claim within 15 working days after receipt of a duly executed proof of loss.

If "we" deny "your" claim, "we" will give "you" written notice of "our" denial. "Our" notice will identify any provision of this policy on which the denial is based.

If "we" need more time to investigate "your" claim, "we" will give "you" notice of "our" need for more time within 15 working days after receipt of a duly executed proof of loss. "Our" notice will state why more time is needed.

If "our" investigation cannot be completed within 45 days of the date of "our" initial notice, "we" will give "you" written notice to state why more time is needed. "We" will give "you" such notice within 45 days of the date of "our" initial notice.

"We" will continue to give "you" written notice every 45 days thereafter to state why more time is needed until "we" give "you" notice of "our" intent to accept or deny "your" claim.

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5. Under Valuation, Replacement Cost is amended to include the following:

However, "your" failure to notify "us" of "your" intent to make a claim for the replacement cost within 180 days after the loss will not be reason to deny such claim unless "your" failure to meet the notice requirement operates to prejudice "our" rights under this policy.

6. The following applies only if a specific limit applies per building insured under this policy.

Under How Much We Pay, the following is added:

**Fire Loss To Real Property** -- In the event of a fire loss to covered real property the "limit" for a covered building or structure represents its value.

If other insurance applies to the loss, and in the absence of willful fraud or misrepresentation on the part of the "insured", the combined "limits" of all policies covering a building or structure represents its value.

7. Under Loss Payment, Our Options is amended to include the following:

For partial loss to covered property caused by fire, at the option of the insured and up to "our" "limit", "we" will:

- a. pay the actual amount of the damage; or
- b. repair the damage so that the property is restored to its condition before the fire.

This is at "your" option, but payment or cost must not exceed the "limit" of insurance.

8. Under Other Conditions, Appraisal is amended to include the following:

The umpire will make a decision within 30 days after receipt of the appraisers' differences.

All other "terms" of the Appraisal condition still apply.

9. Under Other Conditions, Subrogation is amended to include the following:

An innocent insured who is the subject of domestic violence by another insured cannot waive his or her right to recover. "We" retain all rights set forth by this Subrogation condition with regard to "our" right to recover, up to the amount "we" pay, for loss caused by an act of domestic violence.

10. Under Other Conditions, Suit Against Us is deleted and replaced by the following:

**Suit Against Us** -- No suit may be brought against "us" under this coverage unless:

- a. all the "terms" of this coverage have been complied with; and
- b. the suit is brought within ten years after the loss.

If a law of the state where the premises is located makes this time period invalid, the suit must be brought within the time period allowed by the law.

11. The following addition amends any exclusion, limitation, or other provision relating to "pollutants":

**Pollutants** -- Any exclusion, limitation, or other provision relating to a "pollutant" or "pollutants", or any amendment to or replacement of such exclusion, limitation, or other provisions, applies whether or not the irritant or contaminant is used at or in "your" business, operations, premises, site, or location.

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## COMMON POLICY CONDITIONS

1. **Assignment** -- This policy may not be assigned without "our" written consent.
2. **Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.  
  
"We" may cancel this policy, or one or more of its parts, by written notice sent to "you" at "your" last mailing address known to "us". If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.  
  
If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.  
  
"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.
3. **Change, Modification, or Waiver of Policy Terms** -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.
4. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations at any time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.
5. **Examination of Books and Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

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This endorsement changes  
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## CERTIFIED TERRORISM LOSS

1. The following definitions are added.
    - a. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States:
      - 1) to be an act of terrorism;
      - 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
      - 3) to have resulted in damage:
        - a) within the United States; or
        - b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
    - 4) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion; and
    - 5) to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.
  - b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".
2. The "terms" of any terrorism exclusion that is part of or that is attached to this Coverage Part are amended by the following provision:

This exclusion does not apply to "certified terrorism loss".
  3. The following provision is added.

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a Program Year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a Program Year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.
  4. The following provisions are added.
    - a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
      - 1) exclusions that address war, military action, or nuclear hazard; or
      - 2) any other exclusion; and
    - b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
      - 1) exclusions that address war, military action, or nuclear hazard; or
      - 2) any other exclusion.

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This endorsement changes  
the policy  
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## VIRUS OR BACTERIA EXCLUSION

### DEFINITIONS

#### Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

### PERILS EXCLUDED

The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

1. The following exclusion is added under Perils Excluded, item 1.:

#### Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
- b. any denial of access to property because of any virus, bacterium, or other microorganism.

2. **Superseded Exclusions** -- The Virus or Bacteria exclusion set forth by this endorsement supersedes the "terms" of any other exclusions referring to "pollutants" or to contamination with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

### OTHER CONDITIONS

#### Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

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## EARTHQUAKE SCHEDULE

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Refer to "schedule of coverages" for applicable "catastrophe limit" and  
earthquake deductible.

---

### SCHEDULE

---

**Loc.**

**No.      Location (describe)**

  1        4565 MCCREE AVENUE  
             ST. LOUIS, MO 63110

**Covered Property/Coverage Provided (describe)**

BLANKET BUILDING  
BLANKET BUSINESS PERSONAL PROPERTY, BLANKET STOCK  
EXTRA EXPENSE

**Limits**

"Occurrence Limit"      \$ 4,939,114

"Aggregate Limit"      \$ 4,939,114

**Loc.**

**No.      Location (describe)**

  2        2699 CLEARLAKE  
             SPRINGFIELD, IL 62703

**Covered Property/Coverage Provided (describe)**

BLANKET BUILDING  
BLANKET BUSINESS PERSONAL PROPERTY, BLANKET STOCK  
EXTRA EXPENSE

**Limits**

"Occurrence Limit"      \$ 1,498,840

"Aggregate Limit"      \$ 1,498,840

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## EARTHQUAKE SCHEDULE

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Refer to "schedule of coverages" for applicable "catastrophe limit" and  
earthquake deductible.

---

### SCHEDULE

---

**Loc.**

**No.      Location (describe)**

  3        3634 PENNRIDGE  
             BRIDGETON, MO 63044

**Covered Property/Coverage Provided (describe)**

BLANKET BUILDING  
BLANKET BUSINESS PERSONAL PROPERTY, BLANKET STOCK  
BUSINESS INCOME, EXTRA EXPENSE

**Limits**

"Occurrence Limit"      \$ 9,999,306

"Aggregate Limit"      \$ 9,999,306

**Loc.**

**No.      Location (describe)**

  7        STORAGE UNIT #B13 AT  
             3760 PENNRIDGE DRIVE  
             BRIDGETON, MO 63044

**Covered Property/Coverage Provided (describe)**

BLANKET BPP

**Limits**

"Occurrence Limit"      \$ 41,600

"Aggregate Limit"      \$ 41,600

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## EARTHQUAKE SCHEDULE

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Refer to "schedule of coverages" for applicable "catastrophe limit" and  
earthquake deductible.

---

### SCHEDULE

---

**Loc.**

**No.      Location (describe)**

8      605 ARROW LANE  
O'FALLON, MO 63366

**Covered Property/Coverage Provided (describe)**

BLANKET BUILDING  
BLANKET BPP  
EXTRA EXPENSE

**Limits**

"Occurrence Limit"      \$ 1,233,749

"Aggregate Limit"      \$ 1,233,749

**Loc.**

**No.      Location (describe)**

\_\_\_\_\_

**Covered Property/Coverage Provided (describe)**

**Limits**

"Occurrence Limit"      \$

"Aggregate Limit"      \$

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## PROTECTIVE DEVICES SCHEDULE

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

<u>Location No.</u>	<u>Location</u>	<u>Protective Device or Service</u>
1	4665 MCCREE AVENUE ST. LOUIS, MO 63110	AUTOMATIC SPRINKLER SYSTEM INCLUDING RELATED SUPERVISORY SERVICES.
3	3634 PENNRIDGE BRIDGETON, MO 63044	<p>AUTOMATIC SPRINKLER SYSTEM MEANS:</p> <p>(1) ANY AUTOMATIC FIRE PROTECTIVE OR EXTINGUISHING SYSTEM, INCLUDING CONNECTED:</p> <p>(A) SPRINKLERS AND DISCHARGE NOZZLES;</p> <p>(B) DUCTS, PIPES, VALVES AND FITTINGS</p> <p>(C) TANKS, THEIR COMPONENT PARTS AND SUPPORTS; AND</p> <p>(D) PUMPS AND PRIVATE FIRE PROTECTION MAINS</p> <p>(2) WHEN SUPPLIED FROM AN AUTOMATIC FIRE PROTECTIVE SYSTEM:</p> <p>(A) NON-AUTOMATIC FIRE PROTECTIVE SYSTEMS; AND</p> <p>(B) HYDRANTS, STANDPIPES AND OUTLETS</p> <p>AUTOMATIC FIRE ALARM, PROTECTING THE ENTIRE BUILDING THAT IS:</p> <p>(1) CONNECTED TO A CENTRAL STATION; OR</p> <p>(2) REPORTING TO A PUBLIC OR PRIVATE FIRE ALARM STATION.</p>

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## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- ☒ Loss Payable  
☐ Lender's Loss Payable  
☐ Contract of Sale

### SCHEDULE

<u>Location</u>	<u>Covered Property</u>	<u>Name and Address of Loss Payee</u>
1	BUSINESS PERSONAL PROPERTY	UNITED RENTALS 13575 NORTHWEST INDUSTRIAL DRIVE BRIDGETON, MO 63044
1	PERSONAL PROPERTY	FIRST STATE BANK OF ST. LOUIS 120 JEFFERSON ST. CHARLES, MO 63301
ALL	PERSONAL PROPERTY	REGIONS BANK 8182 MARYLAND AVENUE SUITE 200 ST. LOUIS, MO 63105
1	BUSINESS PERSONAL PROPERTY	ONE SOURCE RENTAL 10 CENTRAL INDUSTRIAL DRIVE, #8 GRANITE CITY, IL 62040
ALL	PERSONAL PROPERTY	FIRST BANK, EILEEN SPRATT 11901 OLIVE BLVD, LOWER LEVEL ST. LOUIS, MO 63141

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## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- ☒ Loss Payable  
☐ Lender's Loss Payable  
☐ Contract of Sale

---

### SCHEDULE

---

<u>Location</u>	<u>Covered Property</u>	<u>Name and Address of Loss Payee</u>
1	BUSINESS PERSONAL PROPERTY - EDP	VAR RESOURCES, INC. ITS SUCCESSORS AND ASSIGNS 2330 INTERSTATE 30 MESQUITE, TX 75150

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**LIMITED FUNGUS AND RELATED PERILS SCHEDULE  
BLANKET LIMIT**

(The information required below may be indicated  
on the "schedule of coverages".)

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**PROPERTY COVERAGE EXTENSION**

---

**Limited Fungus And Related Perils  
Property Coverage**

	Limit
The most "we" pay for all losses at all covered locations is:	\$ <u>100,000</u>

---

**INCOME COVERAGE EXTENSION**

---

**Limited Fungus And Related Perils  
Income Coverage**

Time Limitation: \_\_\_\_\_ days

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This endorsement changes  
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## EXPANDED RESTORATION PERIOD -- EXTRA EXPENSE

As specified below, this endorsement amends the provisions of the Commercial Output Program -- Income Coverage Part.

---

### HOW MUCH WE PAY

The following provision is added under How Much We Pay:

With respect to the extra expense coverage, "we" pay no more than the percentages indicated on the Expanded Restoration Period Schedule multiplied by the "limit" for any loss. When a percentage is not shown for any "restoration period", the percentage that applies to the "limit" is 100%.

---

### SCHEDULE

---

When the "restoration period" is:	The percentage that applies to the "limit" is: .
30 days or less,	40 %
31 to 60 days,	80 %
61 to 90 days,	100 %
91 to 120 days,	100 %

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## EARTHQUAKE ENDORSEMENT

Provisions under this endorsement do not apply to "mobile equipment" and the Supplemental Marine Coverages. Unless described on the Earthquake Schedule, this endorsement does not apply to "computers".

### ADDITIONAL DEFINITIONS

1. "Aggregate limit" means the amount of coverage that applies to loss at each location during each separate 12-month period of this policy; this is limited to the expiration or anniversary date.
2. "Occurrence limit" means the amount of coverage that applies to loss in any one occurrence at each location.
3. "Catastrophe limit" means the amount of coverage that applies to all losses at all locations during each separate 12-month period of this policy; this is limited to the expiration or anniversary date.

### PERILS COVERED

Volcanic eruption means the eruption, explosion, or effusion of a volcano.

**Scheduled Earthquake Coverage** -- When scheduled earthquake coverage is indicated on the "schedule of coverages", "we" cover direct physical loss caused by earthquake and volcanic eruption to property and locations described on the Earthquake Schedule.

**Blanket Earthquake Coverage** -- When blanket earthquake coverage is indicated on the "schedule of coverages", "we" cover direct physical loss to covered property at "covered locations" caused by earthquake and volcanic eruption.

### PERILS EXCLUDED

Under Perils Excluded, Earth Movement is replaced by the following:

**Earth Movement or Volcanic Eruption** -- "We" do not pay for loss caused by:

1. earthquake or volcanic eruption that begins before the inception date of this coverage;
2. blasting (other than volcanic explosion); and
3. landslide, mine subsidence, mudflow, or mudslide even if caused by earthquake or volcanic eruption.

### HOW MUCH WE PAY

The following are added to How Much We Pay:

1. **Deductible** -- "We" pay only that part of "your" loss over the earthquake deductible indicated on the "schedule of coverages" in any one occurrence. The deductible may be shown as either an amount or a percentage. When shown as a percentage, the deductible is that percentage of the value of the covered property at the time of the loss.

This deductible replaces any other deductible for the perils of earthquake and volcanic eruption.

2. **Limits That Apply To Scheduled Earthquake Coverage** -- When scheduled earthquake coverage is indicated on the "schedule of coverages", the following "limits" apply to loss to covered property caused by earthquake and volcanic eruption, subject to the provisions under Loss Settlement Terms:

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- a. The most "we" pay for loss caused by earthquake and volcanic eruption in any one occurrence at a location described on the Earthquake Schedule is the "occurrence limit" indicated on the schedule.
  - b. The most "we" pay for loss caused by earthquake and volcanic eruption at a location described on the Earthquake Schedule during a 12-month period is the "aggregate limit" indicated on the schedule.
  - c. The most "we" pay for all losses caused by earthquake and volcanic eruption at all locations described on the Earthquake Schedule during a 12-month period is the "catastrophe limit" indicated on the "schedule of coverages".
3. **Limits That Apply To Blanket Earthquake Coverage** -- When blanket earthquake coverage is indicated on the "schedule of coverages", the following "limits" apply to loss to covered property caused by earthquake and volcanic eruption, subject to the provisions under Loss Settlement Terms:
- a. The most "we" pay for loss caused by earthquake and volcanic eruption in any one occurrence at a "covered location" is the "occurrence limit" indicated on the "schedule of coverages".
  - b. The most "we" pay for loss caused by earthquake and volcanic eruption at a "covered location" during a 12-month period is the "aggregate limit" indicated on the "schedule of coverages".
  - c. The most "we" pay for all losses caused by earthquake and volcanic eruption at all "covered locations" during a 12-month period is the "catastrophe limit" indicated on the "schedule of coverages".
4. **Excess Insurance** -- "You" may purchase insurance in excess of the applicable "limit" for earthquake coverage. Such excess insurance will not be considered in applying Insurance Under More Than One Policy nor will it be considered in the application of any pro rata or apportionment provision.

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## SCHEDULED LOCATIONS ENDORSEMENT

### PROPERTY COVERED

The following provision is added to Property Covered.

**Scheduled Locations** -- Coverage provided by the Commercial Output Program coverages applies only to the "covered locations" described on the Location Schedule.

### ADDITIONAL COVERAGES

The following Additional Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages". If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for an Additional Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for an Additional Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered. The "limit" available for coverage described under an Additional Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for an Additional Coverage and the "limit" for coverage described under Property Covered.

Unless otherwise stated, each additional coverage:

- a. applies to loss caused by a covered peril;

b. is not subject to and not considered in applying coinsurance when coinsurance conditions are added to this coverage; and

c. does not extend coverage to personal property at fairs or exhibitions.

1. **Newly Built or Acquired Buildings** -- "We" cover direct physical loss to "your" buildings or structures:

- a. being built at "covered locations" or while being built at other than "covered locations"; or
- b. that "you" acquire during the policy period.

This additional coverage applies for 120 days from the date "you" acquire or begin to construct the building or structure or until "you" report the property to "us", whichever occurs first. This coverage does not go beyond the end of the policy period.

"You" must pay any additional premium due from the date construction is started or from the date "you" acquire the property.

The most "we" pay in any one occurrence for each newly built or acquired building or structure is \$500,000.

2. **Business Personal Property - Acquired Locations** -- "We" cover direct physical loss to "your" business personal property at locations that "you" acquire during the policy period.

This coverage applies for 120 days from the date "you" acquire the location or until "you" report the acquired location to "us", whichever occurs first. This coverage does not go beyond the end of the policy period.

"You" must pay any additional premium due from the date "you" acquire the location.

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The most "we" pay in any one occurrence for business personal property at each location "you" acquire is \$250,000.

3. **Locations "You" Elect Not To Describe --** "We" cover direct physical loss to "your" building property and business personal property at locations that are not described on the Location Schedule.

The "limit" provided under this additional coverage cannot be combined or added to the "limits" for Newly Acquired Buildings and Personal Property - Acquired Locations.

The most "we" pay in any one occurrence for each unscheduled location is \$50,000.

4. **Newly Built or Acquired Locations - Income Coverage --** If the Commercial Output Program - Income Coverage Part is attached to this policy, "we" extend "your" coverage for earnings and extra expense to include direct physical loss to "your" covered property while at any location being built or at locations that "you" acquire during the policy period.

If a loss occurs at a location being built and the loss delays the start of "your" "business", the "restoration period" starts from the time "your" "business" would have begun had no loss occurred.

This coverage applies for 120 days from the date the location is acquired or construction begins or until "you" report the location to "us", whichever occurs first. This coverage does not go beyond the end of the policy period.

"You" must pay any additional premium due from the date construction is started or "you" acquire the location.

The most "we" pay in any one occurrence for loss of earnings and incurred extra expense at each newly acquired or built location is \$250,000.

---

## HOW MUCH WE PAY

---

The following provisions are added to How Much We Pay if a coinsurance percentage is indicated on the "schedule of coverages".

1. **Coinsurance, Property Coverage Part --** "We" pay only a part of the loss if the "limit" is less than the value of the covered property at the time of the loss multiplied by the coinsurance percentage. "Our" part of the loss is determined using the following steps:

- multiply the value of the covered property at the time of the loss by the coinsurance percentage;
- divide the "limit" for covered property by the result determined in a. above;
- multiply the total amount of loss, after the application of any deductible, by the result determined in b. above.

"We" pay the amount determined in c. above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

If there is more than one "limit" indicated on the "schedule of coverage", this procedure applies separately to each covered property for which a "limit" is shown.

If there is only one "limit" indicated on the "schedule of coverage", this procedure applies to the total of all covered property to which the "limit" applies.

2. **Coinsurance, Income Coverage Part --** If the Commercial Output Program - Income Coverage Part is attached to this policy, "we" pay only a part of the loss if the "limit" is less than the coinsurance percentage multiplied by the sum of "your" net income (net profit or loss before income taxes) and continuing operating expenses projected for the 12 months following the inception of this policy or the last previous anniversary date of this policy (whichever is later), normally earned by "your" "business".

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"Our" part of the loss is determined using the following steps:

- a. multiply the coinsurance percentage by the sum of "your" net income and continuing operating expenses projected for the 12 months following the inception of this policy or the last previous anniversary date of this policy;
- b. divide the "limit" by the figure determined in a. above;
- c. multiply the total amount of loss by the figure determined in b. above.

"We" pay the amount determined in c. above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

If there is more than one "limit" indicated on the "schedule of coverage" for the Income Coverage Part, this procedure applies separately to each "limit".

Coinsurance does not apply to coverage for extra expense.

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This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

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## LOSS PAYABLE OPTIONS

If indicated on the Loss Payable Schedule, the following conditions apply to the property described on the schedule. The following conditions apply in addition to the policy "terms" which are contained in other sections of the Commercial Output Program coverages.

### LOSS PAYABLE

Any loss will be adjusted with "you" and will be payable to "you" and the loss payee described on the schedule as "your" and their interests appear.

### LENDER'S LOSS PAYABLE

Any loss will be payable to "you" and the loss payee described on the schedule as interests appear. If more than one loss payee is named, they will be paid in order of precedence.

The insurance for the loss payee continues in effect even when "your" insurance may be void because of "your" acts, neglect, or failure to comply with the coverage "terms". The insurance for the loss payee does not continue in effect if the loss payee is aware of changes in ownership or substantial increase in risk and does not notify "us".

If "we" cancel this policy, "we" notify the loss payee at least ten days before the effective date of cancellation if "we" cancel for "your" nonpayment of premium, or 30 days before the effective date of cancellation if "we" cancel for any other reason.

"We" may request payment of the premium from the loss payee, if "you" fail to pay the premium.

If "we" pay the loss payee for a loss where "your" insurance may be void, the loss payee's right to collect that portion of the debt from "you" then belongs to "us". This does not affect the loss payee's right to collect the remainder of the debt from "you". As an alternative, "we" may pay the loss payee the remaining principal and accrued interest in return for a full assignment of the loss payee's interest and any instruments given as security for the debt.

If "we" choose not to renew this policy, "we" give written notice to the loss payee at least ten days before the expiration date of this policy.

### CONTRACT OF SALE

Any loss will be adjusted with "you" and will be payable to "you" and the loss payee described on the schedule as "your" and their interests appear.

The loss payee shown on the schedule is a person or organization "you" have entered into a contract with for the sale of covered property.

When covered property is the subject of a contract of sale, the word "you" also means the loss payee.

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## **PREMIUM PAYMENTS**

The premium for this policy is payable each year. Each annual payment is based on the rates or premiums which are in effect for "us" at that time.

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This endorsement changes  
the policy  
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## MULTIPLE DEDUCTIBLE SCHEDULED PERILS

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

### HOW MUCH WE PAY

The deductible provision is deleted and replaced by the following:

For covered perils described on this schedule, "we" pay only that part of "your"  
loss over the deductible amount indicated for the described peril in any one  
occurrence.

<u>Covered Peril</u>	<u>Deductible Amount</u>
1. All other covered perils not described on the Multiple Deductible schedule \$ <u>2,500</u>	
2. 3634 PENNRIDGE BRIDGETON, MO 63044 (ROOF)	\$ <u>SEE ENDT B</u>
3.	\$ _____
4.	\$ _____
5.	\$ _____

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This endorsement changes  
the policy  
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## PROTECTIVE DEVICES ENDORSEMENT

As specified below, this endorsement modifies the provisions of the Commercial Output Program - Property Coverage Part. This endorsement also applies to the Commercial Output Program - Income Coverage Part when attached to the policy. If indicated on the Protective Devices and Services Schedule, the following conditions apply to the locations described on the schedule.

### OTHER CONDITIONS

**Protective Devices** -- "You" are required to maintain at all times during the policy period the protective devices and services described on the Protective Devices Schedule.

### PERILS EXCLUDED

As respects the locations specified in the Protective Devices Schedule, the following exclusion is added to Perils Excluded:

"We" do not pay for loss caused by fire or "theft" if, prior to the fire or "theft", "you":

1. had knowledge of any suspension or impairment in any protective device or service described on the Protective Devices Schedule and did not notify "us"; or
2. failed to maintain in complete working order, any protective device or service described on the Protective Devices Schedule which "you" control.

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## COMMAND<sup>®</sup> PROPERTY COVERAGE PART COMMERCIAL OUTPUT PROGRAM

### AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the COMMAND<sup>®</sup> Property Coverage Part Commercial Output Program. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

### DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the "schedule of coverages".
2. The words "we", "us", and "our" mean the company providing this coverage.
3. Average Daily Value (ADV) means the loss of income for all locations, affected by the "Equipment Breakdown," that would have been earned had no "Equipment Breakdown" occurred during the interruption of business, divided by the number of working days, in that period.

The number of days indicated in the "Equipment Breakdown" section of the COMMAND<sup>®</sup> Schedule of Coverages Commercial Output Program will be multiplied by the ADV as determined above. The result will be used as the Business Income or Extra Expense dollar deductible.

The ADV applies to all locations included in the valuation of the loss.

#### Example:

Business is interrupted partially or completely for 10 days. If there had been no "Equipment Breakdown", the total location income for those 10 days would have been \$5,000.

The Income Protection Deductible is 3 X the ADV

\$5,000 divided by 10 days = \$500 ADV

3 X \$500 = \$1,500 Loss of Income Protection Deductible

4. "Business" means the usual business operations occurring at "covered locations" including the tenantability of "covered locations" when the selected coverage option includes "rents".
5. "Computers" means:
  - a. "Hardware" owned by "you" or in "your" care, custody, or control; or
  - b. "Software".
6. "Computer hacking" means an unauthorized intrusion by an individual or group of individuals, whether employed by "you" or not, into a "computer", a Web site, or a "computer" network and that results in but is not limited to:
  - a. Deletion, destruction, generation, or modification of "software";
  - b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
  - c. Observation, scanning, or copying of "data records", "programs and applications", and "proprietary programs";

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- d. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
  - e. Denial of access to or denial of services from "computers", "computer" network, or Web site including related "software".
7. "Covered locations" means any location or premises where "you" have buildings, structures, or business personal property covered under this coverage.
- However, if the Scheduled Locations Endorsement is added to this policy, "covered location" means a location that is described on the Location Schedule.
- "Covered location" does not mean vehicles containing covered property, except vehicles on or within 1,000 feet of the premises of any covered building or structure.
8. "Data records" means files, documents, and information in an electronic format and that are stored on "media".
9. "Declarations" means all pages labeled "Declarations", "Supplemental Declarations", or "Schedules" which pertain to this coverage.
10. "Dependent locations" means locations that are operated by others and that "your" "business" depends on, as described below. Dependent locations includes but is not limited to:
- a. Contributing locations, these are "your" suppliers' locations or locations of suppliers that deliver services or materials to others for "your" account. Contributing locations do not include suppliers of:
    - 1) Water;
    - 2) Telecommunications, including but not limited to Internet service providers; or
    - 3) Power or gas;
  - b. Recipient locations, these are locations that receive "your" products;
  - c. Leader locations, these are locations that attract customers to "your" "business"; or
  - d. Manufacturing locations, these are locations that make products for delivery to "your" customers under contract of sale.
11. "Equipment Breakdown" as used herein means:
- a. Physical loss or damage both originating within:
    - 1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
      - (a) Waste disposal piping;
      - (b) Any piping forming part of a fire protection system;
      - (c) Furnaces; and
      - (d) Any water piping other than
        - i) Boiler feed water piping between the feed pump and the boiler;
        - ii) Boiler condensate return piping; or
        - iii) Water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes
    - 2) All mechanical, electrical, electronic or fiber optic equipment; and
  - b. Caused by, resulting from, or consisting of:
    - 1) Mechanical Breakdown;
    - 2) Electrical or electronic breakdown; or

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3) Rupture, bursting, bulging, implosion, or steam explosion.

However, "Equipment Breakdown" will not mean physical loss or damage caused by or resulting from any of the following; however, if loss or damage not otherwise excluded results, then "we" will pay for such resulting damage:

- a. Wear and tear;
  - b. Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;
  - c. Smog;
  - d. Settling, cracking, shrinking or expansion;
  - e. Nestling or infestation, or discharge or release of waste products or secretions, by birds, rodents or other animals;
  - f. Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system including any "hardware", programs or software; or
  - g. Scratching or marring.
12. "Fine arts" means bona fide works of art of rarity, historical value, or artistic merit, including but not limited to paintings, etchings, pictures, tapestries, and art glass windows.
13. "Flood" means "flood", surface water, waves, tidal water, or the overflow of a body of water, all whether driven by wind or not. This includes spray that results from any of these whether driven by wind or not.
14. "Fungus or related perils" means:
- a. A fungus, including but not limited to mildew and mold;
  - b. A protist, including but not limited to algae and slime mold;
  - c. Wet rot;
  - d. Dry rot;
  - e. A bacterium; or
  - f. A chemical, matter, or compound produced or released by a fungus, a protist, wet rot, dry rot, or a bacterium, including but not limited to toxins, spores, fragments, and metabolites such as microbial volatile organic compounds.
15. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results. "Hardware" includes but not limited to:
- a. Mainframe and mid-range "computers" and servers;
  - b. Personal "computers" and workstations;
  - c. Laptops, palmtops, notebook PCs, other portable computer devices and accessories including, but not limited to, multimedia projectors; and
  - d. Peripheral data processing equipment, including but not limited to, printers, keyboards, monitors, and modems.
16. "Limit" means the amount of coverage that applies.
17. "Media" means an instrument that is used with "hardware" and on which "data records", "programs and applications", and "proprietary programs" can be recorded or stored. "Media" includes, but is not limited to, films, tapes, cards, discs, drums, cartridges, cells, DVDs, or CD-ROMs.

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18. "Mobile equipment" means:
- Contractors' equipment or similar equipment of a mobile or floating nature;
  - Self-propelled vehicles designed and used primarily to carry mounted equipment; or
  - Vehicles designed for highway use that are unlicensed and not operated on public roads.
19. "Money" means currency, bullion, coins, bank notes in current use, and traveler's checks, register checks, and "money" orders held for sale to the public.
20. "Off-site server" means a server for "your" Web site that is being maintained or operated by and that is located at the premises of:
- An independent contractor acting as "your" Web host; or
  - "Your" Internet service provider that is acting as "your" Web host.
21. "One Equipment Breakdown" means:
- When an initial "Equipment Breakdown" causes or results in other "Equipment Breakdowns", all of the "Equipment Breakdowns" will be considered "one Equipment Breakdown". All "Equipment Breakdowns" that are the result of the same occurrence will be considered "one Equipment Breakdown".
22. "Perishable stock" means personal property preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.
23. "Pollutant" means:
- Any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including but not limited to acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
  - Electrical or magnetic emissions, whether visible or invisible, and sound emissions.
24. "Programs and applications" means operating "programs and applications" that "you" purchase and that are:
- Stored on "media"; or
  - Pre-installed and stored in "hardware".
- Applications includes, but is not limited to, programs for word processing, spreadsheet calculations, and graphic design.
25. "Proprietary programs" means proprietary operating "programs and applications" that "you" developed or that "you" had developed specifically for "you" and that are:
- Stored on "media"; or
  - Installed and stored in "hardware".
26. "Rents" means "your" actual loss of:
- Rental income from a "covered location" as furnished or equipped by "you", less any expenses that do not continue;
  - The fair rental value of any part of a "covered location" that "you" occupy, less any expenses that do not continue; and
  - Other charges for which a tenant is legally obligated and which "you" would otherwise be obligated.
27. "Restoration period" means:
- The time it should reasonably take to resume "your" "business" to a similar level of service starting from the date of a physical loss of or damage to property at a "covered location" that is caused by a covered peril and ending on the date:
    - The property should be rebuilt, repaired, or replaced; or

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- 2) "Business" is resumed at a new permanent location.

This is not limited by the expiration date of the policy.

- b. The "restoration period" also means the increased time required to comply with the enforcement of any ordinance, law, or decree that:

- 1) Regulates the construction, use, or repair of any property; or
- 2) Requires the demolition of any property, in part or in whole, not damaged by a covered peril.

However, except as provided under COMMAND® Income Coverage Part, "Pollutant" Cleanup and Removal, "we" do not cover the costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants".

The ordinance, law, or decree must be in force at the time of loss.

- c. Only as regards coverage described under Dependent Locations in the COMMAND® Income Coverage Part "restoration period" also means the time it should reasonably take to resume "your" "business" starting from the date of direct physical loss of or damage to a "dependent location" caused by a covered peril, and ending on the date:

- 1) The property at the "dependent location" should be rebuilt, repaired, or replaced; or
- 2) "Business" is resumed at a new, permanent location.

This is not limited by the expiration date of the policy.

- d. Only as regards coverage described under Off Premises Utility Service Interruption; and Property In Transit, On Exhibition, or In the Custody Of Sales Representatives in the COMMAND® Income Coverage Part, "restoration period" also means the time it should reasonably take to resume "your" "business" starting from the date of direct physical loss of or damage caused by a covered peril to:

- 1) Property not located at a "covered location" and that is owned by a utility, a landlord, or another utility supplier;
- 2) The "off-site server" for "your" Web site or the location that houses the "off-site server" for "your" Web site;
- 3) Property in transit, on exhibition, or in the custody of sales representatives;

And ending on the date the property should be rebuilt, repaired, or replaced. This is not limited by the expiration date of the policy.

28. "Schedule of coverages" means:

- a. All pages labeled "schedule of coverages" or schedules which pertain to this coverage; and
- b. "Declarations" or supplemental "declarations" which pertain to this coverage.

29. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property. This includes, but is not limited to, stock certificates; tokens, tickets, revenue, or stamps (whether represented by actual stamps or unused value in a meter) in current use; and evidences of debt used in connection with charge, credit, or debit cards that are not issued by "you", but does not include "money".

30. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land, but does include the cost of filling sinkholes.

31. "Software" means:

- a. "Media";
- b. "Data records";

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- c. "Programs and applications"; and
  - d. "Proprietary programs".
32. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm and "Equipment Breakdown".
- Falling objects does not include loss to:
- a. Business personal property in the open; or
  - b. To the interior of buildings or structures, or business personal property inside buildings or structures unless the exterior of the roof or walls are first damaged by a falling object.
- Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.
33. "Spoilage" means any detrimental change in physical state of "perishable stock". Detrimental change includes, but is not limited to, thawing of frozen goods, warming of refrigerated goods, solidification of liquid or molten material, chemical reactions to material in process, and reduction in value of time sensitive materials.
34. "Terms" are all provisions, limitations, exclusions, conditions, and definitions that apply.
35. "Theft" means any act of stealing, including burglary or robbery.
36. "Valuable papers" means documents, manuscripts, or records that are inscribed, printed, or written. This includes, but is not limited to, abstracts, books, deeds, drawings, films, maps, or mortgages.
37. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow. It does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

## PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

"We" cover direct physical loss to covered property at a "covered location" caused by a covered peril.

## BUILDING PROPERTY

1. **Covered Building Property** -- Covered Building Property means buildings and structures and:
- a. Completed additions;
  - b. Fixtures, machinery, and equipment which are a permanent part of a covered building or structure;
  - c. Outdoor fixtures;
  - d. Personal property owned by "you" and used to maintain or service a covered building or structure or its premises. This includes air-conditioning equipment; fire extinguishing apparatus; floor coverings; and appliances for refrigerating, cooking, dish washing, and laundering;
  - e. If not covered by other insurance, buildings and additions to buildings under construction, alteration, and repair including:
    - 1) Materials, equipment, supplies, and temporary structures, on or within 1,000 feet of a "covered location", intended and designated for use in the construction, alteration, and repair of buildings or additions to buildings; and
    - 2) "Your" contractual liability for the interest of contractors and sub-contractors in buildings and additions to buildings under construction, alteration, and repair such as materials, equipment, supplies, and temporary structures, on or within 1,000 feet of a "covered location", intended and designated for use in the construction, alteration, and repair of buildings or additions to buildings;
  - f. Building glass;

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- g. The following property if it is located on or within 1,000 feet of a covered building or structure:
  - 1) Radio and television towers, antennas, satellite dishes, masts, lead-in wiring, and guy wires. This includes foundations and any other property that is permanently attached to any of these types of property;
  - 2) Awnings or canopies; and
  - 3) Fences;
- h. Signs, whether or not they are attached to covered buildings, or structures;
- i. Foundations of buildings, pilings, and underground pipe. We pay up to the "limit" shown on the "declarations" for covered property at any one covered location for loss to:
  - 1) Foundations of buildings, structures, machinery, or boilers if their foundations are below:
    - a) The lowest basement floor, or
    - b) The surface of the ground, if there is no basement;
  - 2) Pilings, piers, wharves, docks, or retaining walls;
  - 3) Underground pipes, flues, or drains.

#### **BUSINESS PERSONAL PROPERTY**

- 1. **Covered Business Personal Property** -- Covered business personal property means "your" business personal property in buildings or structures at a "covered location" or in the open (or in vehicles) on or within 1,000 feet of a "covered location". This includes:
  - a. "Your" use interest as a tenant in improvements to the buildings or structures. Improvements are fixtures, alterations, installations, or additions:
    - 1) To a building or structure "you" occupy but do not own; and
    - 2) Made or acquired at "your" expense and which cannot be legally removed by "you".

"We" also cover "your" interest as a tenant in undamaged improvements that "you" lose because "your" lease has been canceled by the lessor as a result of damage to the building or structure "you" occupy but do not own. The damage to the building must be caused by a covered peril;
  - b. Leased personal property which "you" have a contractual responsibility to insure;
  - c. "Your" interest in personal property of others to the extent of "your" labor, material, and services;
  - d. "Computers", if not covered by other insurance;
  - e. Personal property which will become a part of "your" installation, fabrication, or erection project while:
    - 1) At the site of installation, fabrication, or erection; or
    - 2) While in temporary storage awaiting installation, fabrication, or erection.

Coverage under this provision (e) is not restricted to buildings or structures at a "covered location" or within 1,000 feet of a "covered location";
  - f. "Mobile equipment", if not covered by other insurance. Coverage under this provision is not restricted to buildings or structures at a "covered location" or within 1,000 feet of a "covered location"; and
  - g. Personal property of others, including "your" officers and employees necessary for the performance of the job responsibilities. This means personal property of others that is in "your" care, custody, or control.

Personal property of others includes property that is sold under an installation agreement where "your" responsibility continues until the property is accepted by the buyer.

"Our" payment for loss to personal property of others will only be for the benefit of the owners of the personal property.

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1. **Business Personal Property That Is Not Covered** -- Covered business personal property does not include:
  - a. "Off-site server"; and
  - b. Except as provided under Supplemental Marine Coverages;
    - 1) Personal property in transit as described under Property In Transit;
    - 2) "Fine arts" as described under "Fine Arts";
    - 3) "Computers" while away from a "covered location" as described under Off Premises "Computers";
    - 4) Property while temporarily on display or exhibit as described under Property On Exhibition;
    - 5) Samples of "your" stock as described under Sales Representative Samples; and
    - 6) Duplicate or back-up "software" as described under Software Storage.

## **PROPERTY NOT COVERED**

1. **Airborne or Waterborne Property** -- "We" do not cover airborne or waterborne personal property unless the property is being transported by regularly scheduled airlines or ferry service.
2. **Aircraft or Watercraft** -- "We" do not cover aircraft or watercraft (and their motors, equipment, and accessories) that are operated principally away from a "covered location". However, "we" do cover:
  - a. Aircraft or watercraft (and their motors, equipment, and accessories) that "you" manufacture, process, warehouse, or hold for sale; and
  - b. Rowboats or canoes out of water at a "covered location".
3. **Animals** -- "We" do not cover animals, including but not limited to birds and fish, unless owned by others and boarded by "you". "We" do cover animals "you" own and hold for sale while inside of buildings.
4. **Automobiles and Vehicles** -- "We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed and used for over-the-road transportation of people or cargo.

"We" do cover:

  - a. "Mobile equipment" described under Business Personal Property; and
  - b. Automobiles and vehicles that "you" manufacture, process, or warehouse. However, "we" do not cover automobiles or vehicles held for sale, lease, loan or rental.
5. **Checked Luggage** -- "We" do not cover loss resulting from "theft" or disappearance of a laptop, palmtop, notebook PC, or any portable "computer" while in transit as checked luggage.
6. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
7. **Cost of Excavation** -- "We" do not cover the cost of excavations, grading, filling, or backfilling. However, if a covered loss occurs to covered property below the surface of the ground, "we" cover costs that are a necessary part of the repairing, rebuilding, or replacement of the property.
8. **Crops While Outside of Buildings** -- "We" do not cover grain, hay, straw, or other crops while outside of buildings.
9. **Exports and Imports** -- "We" do not cover exported or imported property that is covered under any ocean marine cargo insurance policy or any similar policy that anyone has obtained covering exports and imports.
10. **Land, Water, and Growing Crops** -- "We" do not cover:
  - a. Land, including but not limited to land on which the covered property is located;
  - b. Underground or surface water;
  - c. Growing crops, or
  - d. Cost of excavations, grading, or filling.

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11. **Money, Securities, Accounts, and Valuable Papers** -- Except as provided elsewhere in this policy, "we" do not cover "money", "securities", accounts, bills, and the cost to reproduce, replace, or restore "valuable papers" and lost information.
12. **Outdoor Trees, Shrubs, Plants, or Lawns** -- Except as provided under Supplemental Coverages - Trees, Shrubs, and Plants, "we" do not cover trees, shrubs, plants, or lawns (other than stock).
13. **Property More Specifically Insured** -- "We" do not cover property which is more specifically insured in whole or in part by any other insurance. "We" do cover the amount in excess of the amount due from the more specific insurance whether "you" can collect on it or not.
14. **Property of Others** -- "We" do not cover property of others for which "you" are responsible as:
  - a. A carrier for hire; or
  - b. An arranger of transportation. This includes carloaders, consolidators, brokers, freight forwarders, or shipping associations.
15. **Property That is Obsolete** -- "We" do not cover property that is not maintained in working order, or that is out of date and not being used.
16. **Property You Have Sold** -- "We" do not cover property that "you" have sold after it has been delivered. This does not include property which "you" have sold under an installation agreement.

## COVERAGE EXTENSIONS

The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown in the "schedule of coverages". If a different "limit" is indicated in the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage including a Coverage Extension or Supplemental Coverage that is added to this policy by endorsement.

The following coverage extensions are not subject to and not considered in applying coinsurance when coinsurance conditions are added to this coverage.

1. **Consequential Loss** -- "We" pay up to \$25,000 for "your" consequential loss of undamaged business personal property. Consequential loss means the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss to another part or parts of the product caused by a covered peril.
2. **Damage From Theft** -- "We" cover direct physical damage caused by "theft" or attempted "theft" to:
  - a. A building that "you" do not own and that contains "your" business personal property; or
  - b. Personal property not owned by "you" within such building and that is used to maintain or service the building or structure or its premises.

This coverage extension only applies to a location where "you" are a tenant and the terms of "your" lease make "you" liable for damage caused by "theft" or attempted "theft".
3. **Debris Removal** -- "We" pay the cost to remove the debris of covered property that is caused by a covered peril. This coverage does not include costs to:
  - a. Extract "pollutants" from land or water; or
  - b. Remove, restore, or replace polluted land or water.

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"We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.

However, "we" pay up to an additional \$50,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.

"We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

4. **Emergency Removal** – "We" pay for any direct physical loss to covered property while it is being moved or being stored to prevent a loss caused by a covered peril. This coverage applies for up to 365 days after the property is first moved, but does not extend past the date on which this policy expires.
5. **Emergency Removal Expenses** – "We" pay up to \$10,000 for "your" expenses to move or store covered property to prevent a loss caused by a covered peril. This coverage applies for up to 365 days after the property is first moved, but does not extend past the date on which this policy expires.

The "limit" for Emergency Removal Expenses is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.
6. **Errors and Omissions** – "We" will pay up to \$50,000 for any unintentional error or omission "you" make in determining values, reporting values, describing the covered property or in describing the covered location(s). "You" must report such error or omission(s) to "us" in writing as soon as it is discovered. "You" also agree to pay additional premium as may be appropriate.
7. **Fraud and Deceit** – "We" pay up to \$5,000 for "theft" of covered property when "you", "your" agents, customers, or consignees are fraudulently induced to part with the covered property:
  - a. To persons who falsely represent themselves as the proper persons to receive the property; or
  - b. By the acceptance of fraudulent bills of lading or shipping receipts.
8. **Leakage From Fire Protective Equipment** -- In the event of loss due to leakage of fire protective equipment, liability is specifically assumed for the cost (with due allowance for depreciation) of restoring the damaged portion of the fire protective equipment if such equipment is covered by this policy. However, in the event of loss or damage under a. below, liability for restoring the damaged portion of the fire protective equipment is limited to the cost of restoring only that portion from which the water or other substance causing the loss or damage was discharged.

Leakage is covered for the following causes:

- a. Water or other substance discharged from within any part of the fire protective equipment for the covered location or for adjoining premises;
- b. Collapse or fall of tanks forming a part of the fire protective equipment or the component parts or supports of such tanks;
- c. Freezing of fire protective equipment.

The term "fire protective equipment" includes tanks, water mains, hydrants, or valves, and any other equipment whether solely for fire protection or jointly for fire protection and for other purposes, but does not include:

- a. Branch piping from a joint system where such branches are used entirely for purposes other than fire protection,
- b. Any underground water mains or appurtenances located outside of the covered location and forming a part of the public water distribution system.
- c. Any pond or reservoir in which the water is impounded by a dam or not.

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9. **Limited Fungus And Related Perils Property Coverage --**

- a. **Coverage** -- "We" pay for direct physical loss to covered property caused by or relating to the existence of or any activity of "fungus or related perils".
- b. **Coverage Limitation** -- "We" only cover loss caused by "fungus or related perils":
  - 1) When the "fungus or related peril" is the result of:
    - a) A "specified peril" other than fire or lightning; or
    - b) "Flood" (if the Flood Endorsement applies to the affected location);that occurs during the policy period; and
  - 2) If all reasonable steps were taken to protect the property from additional damage at and after the time of the occurrence.
- c. **Blanket Limit** -- If Blanket "Limit" is indicated on the Limited Fungus and Related Perils Schedule, the most "we" pay for all losses at all "covered locations" is \$100,000. The Blanket "Limit" applies regardless of the number of claims made.

The Blanket "Limit" applies regardless of the number of locations or buildings insured under this policy.

The Blanket "Limit" is the maximum amount that "we" will pay for the total of all loss or damage arising out of all occurrences of "specified perils", other than fire or lightning, or "flood" (if applicable) for each separate 12-month period beginning with the inception date of this policy.
- d. **Location Limit** -- If Location "Limit" is indicated on the Limited Fungus and Related Perils Schedule, the most "we" pay for all losses at each location described on the Limited Fungus and Related Perils Schedule is \$100,000. The Location "Limit" applies regardless of the number of claims made at a described location.

The Location "Limit" is the maximum amount that "we" will pay at each location for the total of all loss or damage arising out of all occurrences of "specified perils" other than fire or lightning or "flood" (if applicable) for each separate 12-month period beginning with the inception date of this policy.
- e. **If the Policy Period is Extended** -- If the policy period is extended for an additional period of less than 12 months, this additional period will be considered part of the preceding period for the purpose of determining the Blanket "Limit" or Location "Limit".
- f. **Recurrence and Continuation of Fungus or Related Perils** -- The Blanket "Limit" or Location "Limit" is the most that "we" pay with respect to a specific occurrence of a loss which results in "fungus or related perils" even if such "fungus or related perils" recur or continue to exist during this or any future policy period.
- g. **Limit Applies to Other Costs or Expenses** -- The Blanket "Limit" or Location "Limit" also applies to any cost or expense to:
  - 1) Clean up, contain, treat, detoxify, or neutralize "fungus or related perils" on covered property or remove "fungus or related perils" from covered property;
  - 2) Remove and replace those parts of covered property necessary to gain access to "fungus or related perils"; and
  - 3) Test for the existence or level of "fungus or related perils" following the repair, replacement, restoration, or removal of damaged property if it is reasonable to believe that "fungus or related perils" are present.
- h. **Loss Caused in Total or in Part by Fungus or Related Perils** -- The "terms" of this coverage extension do not apply to covered loss or damage to covered property that is not caused, in total or in part, by "fungus or related perils" except to the extent that "fungus or related perils" causes an increase in the loss. When "fungus or related perils" cause an increase in such a loss, that increase is subject to the "terms" of this coverage.

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10. **Newly Acquired Locations - Buildings** -- When the Locations and Scheduled Locations Endorsements are attached, this policy is extended to cover real property constructed, acquired or leased and intended for occupancy by "you".

Coverage under the Newly Acquired Building provision shall commence when "you" first acquire an insurable interest at the location and shall cease one hundred twenty (120) days from the date of such acquisition, or when reported to and accepted by "us", or on the expiration date of this policy, whichever shall occur first. No coverage is provided under this provision for property while in transit or waterborne, nor while on the premises of any exhibition, exposition, fair or trade show. This provision shall not be construed as providing coverage at locations scheduled or otherwise insured herein.

This Newly Acquired Building provision shall not apply to earnings, "rents", or extra expense coverage for any newly acquired location which is in course of construction.

This Newly Acquired Building provision shall not increase any amount or limits of insurance provided by this policy.

"You" must pay additional premium for the newly acquired building(s) or property from the date construction is started or "you" acquire the property.

"We" pay up to \$1,000,000 for loss to each building or structure in any single "occurrence".

11. **Newly Acquired Location - Personal Property** -- When the Locations and Scheduled Locations Endorsements are attached to this coverage, "we" cover "your" business personal property at locations that "you" acquire during the policy period. "We" do not cover personal property at fairs or exhibitions except as provided under Property on Exhibition.

This coverage applies for 90 days from the date "you" acquire the location or until "you" report the acquired location to "us", whichever occurs first. This coverage does not go beyond the end of the policy period.

"You" must pay the additional premium due from the date "you" acquire the location.

"We" pay up to \$500,000 for loss to business personal property at acquired locations in any one occurrence.

12. **Off Premises Utility Service Interruption** --

- a. Coverage -- "We" cover direct physical loss or damage caused by the interruption of an off premises utility service when the interruption:

- 1) Results in the direct physical loss or damage to covered property located at a "covered location"; and
- 2) Is a result of direct physical loss or damage by a covered peril to property that is not located at a "covered location" and that is owned by a utility, a landlord, or another supplier who provides "you" with:
  - a) Power or gas;
  - b) Telecommunications, including but not limited to Internet access; or
  - c) Water, including but not limited to waste water treatment.

- b. Overhead Transmission Lines -- If the "schedule of coverages" indicates that overhead transmission lines are excluded, coverage under this extension does not include loss to overhead transmission lines that deliver utility service to "you". Overhead transmission lines include, but are not limited to:

- 1) Overhead transmission and distribution lines;
- 2) Overhead transformers and similar equipment; and
- 3) Supporting poles and towers.

- c. Perishable Stock Exclusion -- Coverage under this extension does not include loss of "perishable stock" due to "spoilage" that results from:

- 1) Complete or partial lack of electrical power; or

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2) Fluctuation of electrical current.

d. Applicable Limit -- The most "we" pay in any one occurrence under this Coverage Extension is \$1,000.

13. **Personal Property at Other Premises** -- When the Locations and Scheduled Locations Endorsements are attached, "you" may extend the insurance that applies to "your" Business Personal Property to apply to "your" personal property, at any other premises or the personal property of others in "your" care, custody or control at locations not indicated as a "covered location"; however this coverage extension does not afford coverage under Supplemental Marine Coverage 9., Sales Representative Samples.

The most "we" will pay for direct physical loss or damage to Personal Property at Other Premises caused by or resulting from a covered peril under this **COVERAGE EXTENSION** is \$50,000 for any one occurrence during the policy period.

14. **Temporary Removal of Property** -- "Your" personal property while removed from a covered location for repairs, for servicing, or to avoid threatened damage by "flood", is covered for a period of ninety (90) days from the date of removal, subject to a "Limit" of liability of \$100,000. This provision shall not apply to personal property removed from a covered location for normal storage or for processing nor to property covered by other insurance.

## SUPPLEMENTAL COVERAGES

The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown in the "schedule of coverages". If a different "limit" is indicated in the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered. The "limit" available for coverage described under a Supplemental Coverage:

- a. Is the only "limit" available for the described coverage; and
- b. Is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension including a Supplemental Coverage or Coverage Extension that is added to this policy by endorsement.

Unless otherwise stated, each supplemental coverage:

- a. Applies to covered property in or on buildings or structures at a "covered location" or in the open (or in vehicles) within 1,000 feet of a "covered location";
  - b. Is not subject to and not considered in applying coinsurance when coinsurance conditions are added to this coverage;
  - c. Applies to loss caused by a covered peril;
  - d. Is within the total "limit" of liability on the Scheduled Locations Endorsement.
1. **Brands or Labels Expense** -- If covered business personal property is damaged and the damage is caused by a covered peril, "we" have the option to take all or any part of the damaged business personal property at the agreed or appraised value. "You" may stamp salvage or remove any brands or labels from the property or its containers. "You" must not damage the property or containers when "you" remove the brands or labels. "You" must re-label the merchandise or its containers if required by law.

The most "we" pay in any one occurrence for "your" expenses for stamping or removing brands or labels is \$50,000.

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2. **CFC Refrigerants** – “We” will pay for the additional cost to repair or replace covered property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances as a result of an “equipment breakdown”. Additional costs mean those in excess of what would have been required to repair or replace covered property, had no CFC refrigerant been involved.
3. **Defense Costs** -- We will pay the cost to defend any suit against “you” alleging direct physical loss or damage as insured against to personal property of others in “your” custody while on a “covered location” to the extent of “your” liability. This coverage is subject to a “limit” of \$50,000, even if such suit is groundless, false, or fraudulent. “We” may without prejudice make such investigation, negotiation, or settlement, of any such claim or suit as “we” deem expedient.
4. **Deferred Payments** – “We” will pay for expenses “you” incur due to “your” interest in Business Personal Property lost or damaged by a covered peril and sold by “you” under a conditional sale or trust agreement, or any installment or deferred payment plan after delivery to buyers.

In the event of a loss, coverage will be paid based on the value of the amount shown on “your” books as due from the buyer. In cases of partial loss and the buyer refuses to continue payment, forcing “you” to repossess, coverage will be valued as follows:

- a. If the realized value of the repossessed property is greater than or equal to the amount shown on “your” books as due the buyer, “we” will make no payment.
- b. If the realized value of the repossessed property is less than the amount shown on “your” books as due from the buyer, “we” will pay the difference.
- c. If partial loss occurs and the buyer continues to pay “you”, there will be no loss payment.

The most “we” will pay for loss under this Supplemental Coverage is \$10,000 in one occurrence during the policy period.

5. **Expediting Expenses** -- When a covered peril occurs to covered property, “we” pay for reasonable expenses necessary to expedite permanent repairs or replacement and make temporary repairs to damaged covered property. Expediting expenses include additional labor or overtime, and transportation costs.

The most “we” pay for all expediting expenses in any one occurrence is \$50,000.

6. **Fire Department Service Charges** – “We” pay “your” expenses to cover “your” liability, assumed by contract or agreement prior to the loss, for fire department service charges.

Coverage is limited to charges incurred when the fire department is called to save or protect covered property from a covered peril.

No deductible applies.

7. **Inventory and Appraisal Expense** – “We” pay all reasonable expenses, for the taking of inventory and appraisals, incurred by “you” at “our” request to assist “us” in the determination of the amount of a loss caused by a covered peril.

“We” do not pay for:

- a. Any expenses incurred under the Other Conditions, Appraisal section of this coverage; or
- b. Any public adjusters’ fees or attorneys’ fees.

8. **Money and Securities** – “We” will pay “your” expenses incurred due to direct physical loss, damage or destruction of “money” and “securities” caused by or resulting from a covered peril when the “money” and “securities” are:

- a. On the covered location. This means:
  - 1) The covered location stated in the “declarations”; or
  - 2) On the premises of a financial institution; or
  - 3) On the premises of a recognized place of safe deposit.

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- b. Off the covered location. This means:
  - 1) In an armored vehicle; or
  - 2) In the possession of any person authorized by "you"; but not while in the mail or in the custody of a carrier for hire other than an armored motor vehicle company.

Is defined as all instruments or contracts that represent either "money" or other property held by "you" in any capacity or any personal property of others that "you" hold as pledge or as collateral for a loan.

The most "we" will pay for loss in any one occurrence during the policy period is \$10,000 per covered location described on the "declarations".

"We" will pay the cost to replace the "money" when loss occurs to "money". When loss to "securities" occurs, "we" will pay the "Actual Cash Value" of the "securities" at the end of the last "business" day before the loss is discovered or the actual cost of replacing the "securities", whichever is less. "We" will not cover loss of income, interest or dividends that occur as a result of a covered loss.

- 9. **Ordinance or Law (Undamaged Parts of a Building)** -- When a covered peril occurs to a covered building or structure, "we" pay for the value of undamaged parts of a covered building or structure that is required to be demolished as a result of the enforcement of any ordinance, law, or decree that:

- a. Requires the demolition of undamaged parts of a covered building or structure that is damaged or destroyed by a covered peril;
- b. Regulates the construction or repair of a building or structure, or establishes building, zoning, or land use requirements at a "covered location"; and
- c. Is in force at the time of loss.

"We" do not cover the costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants" or "fungus or related perils".

This coverage is part of and not in addition to the applicable "limit" for coverage described under Property Covered.

- 10. **Ordinance or Law (Increased Cost to Repair and Cost to Demolish and Clear Site)** --

- a. **Increased Cost to Repair** -- When a covered peril occurs to a covered building or structure, "we" cover the:
  - 1) Increased cost to repair, rebuild, or reconstruct damaged portions of a covered building or structure; and
  - 2) Increased cost to repair, rebuild, or reconstruct undamaged portions of a covered building or structure whether or not those undamaged portions need to be demolished;

As a result of the enforcement of building, zoning, or land use ordinance, law, or decree which is in force at the time when a covered peril occurs to a covered building or structure.

If a covered building or structure is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by building, zoning, or land use ordinance, law, or decree.

"We" do not cover the increased cost of construction until the covered building or structure is actually repaired or replaced and unless the repairs or replacement are made as soon as reasonably possible after the loss, not to exceed two years.

- b. **Cost to Demolish and Clear Site** -- "We" cover the cost to demolish and clear the site of undamaged parts of the covered building or structure that is damaged or destroyed by a covered peril. The demolition must be a result of the enforcement of a building, zoning, or land use ordinance, law, or decree that is in force at the time when a covered peril occurs to a covered building or structure.



- c. **"We" Do Not Cover** -- "We" do not cover the costs associated with the enforcement of any ordinance, law, or decree that:
    - 1) Requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants"; or "fungus or related perils" or
    - 2) "You" were required to comply with before the covered peril occurred to a covered building or structure, even if the building or structure was undamaged and "you" failed to comply with the ordinance, law, or decree.
  - d. **What "We" Pay if the Building is Repaired or Replaced** -- If the covered building or structure is repaired or replaced, "we" pay the lesser of:
    - 1) The amount "you" actually spend to demolish and clear the site, plus the actual increased cost to repair, rebuild, or construct the property but not for more than a building or structure of the same height, floor area, and style; or
    - 2) \$250,000.
  - e. **What "We" Pay if the Building is Not Repaired or Replaced** -- If the covered building or structure is not repaired or replaced, "we" pay the lesser of:
    - 1) The amount "you" actually spend to demolish and clear the site; plus the cost "you" would have incurred to replace the damaged or destroyed property with other property:
      - a) Of like kind, and quality;
      - b) Of the same height, floor area, and style; and
      - c) Used for the same purpose; or
    - 2) \$100,000.
11. **Personal Effects** -- "We" cover direct physical loss caused by a covered peril to personal effects owned by "you", "your" officers, "your" partners, or "your" employees.
- The most "we" pay for loss to personal effects in any one occurrence or at any one "covered location" is \$15,000.
12. **Pollutant Cleanup and Removal** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period. The expenses are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants". However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.
- The most "we" pay for each site or "covered location" is \$50,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12 month period of this policy.
13. **Recharge of Fire Extinguishing Equipment** -- "We" pay up to \$100,000 to cover "your" incurred expenses to recharge "your" automatic fire extinguishing equipment or hand held fire extinguishing equipment when the equipment is discharged:
- a. To fight a fire;
  - b. As a result of a covered peril; or
  - c. As a result of an accidental discharge.
- However, "we" do not pay for "your" expenses to recharge equipment as a result of a discharge during testing or installation.

If it is less expensive to do so, "we" will pay "your" costs to replace "your" automatic fire extinguishing equipment or hand held fire extinguishing equipment rather than recharge the equipment.

**14. Refrigerant Contamination --**

"We" will pay the loss from contamination by refrigerant used in refrigerating, cooling or humidity controlled equipment at the described premises as a result of "equipment breakdown".

The most "we" will pay for loss or damage under this coverage in any one occurrence is \$50,000.

**15. Rewards --** "We" pay up to \$25,000 as a reward for information that leads to a conviction for arson, "theft", or vandalism. The conviction must involve a covered loss caused by arson, "theft", or vandalism and the amount paid will not exceed the amount of the loss.

The amount "we" pay is not increased by the number of persons involved in providing the information.

**16. Spoilage Coverage**

"We" will pay for loss of perishable goods due to "spoilage" resulting from lack of power, light, steam or refrigeration caused by "equipment breakdown" to types of property covered by this policy that are:

- a. Located on or within 1,000 feet of "your" described premises, and
- b. Owned by "you", the building owner at "your" described premises, or owned by a public utility.

However, "we" will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, "sinkhole collapse", "volcanic action", leakage from fire extinguishing equipment, water damage, earth movement and "flood".

The most "we" will pay for loss or damage under this coverage in any one occurrence is \$50,000.

**17. Trees, Shrubs, and Plants --** "We" cover direct physical loss (and debris removal expenses) to outdoor trees, shrubs, plants, and lawns at a "covered location". "We" only cover loss caused by:

- a. Fire;
- b. Lightning;
- c. Explosion;
- d. Riot or civil commotion;
- e. Falling objects; or
- f. Vandalism.

The most "we" pay for loss to trees, shrubs, and plants in any one occurrence is \$50,000.

Coverage under this supplemental coverage does not apply to property held for sale by "you".

**SUPPLEMENTAL MARINE COVERAGES**

The following Supplemental Marine Coverages indicate an applicable "limit". This "limit" may also be shown in the "schedule of coverages". If a different "limit" is indicated in the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Marine Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Marine Coverage provided below is separate from, and not part of the applicable "limit" for coverage described under Property Covered. The "limit" available for coverage described under a Supplemental Marine Coverage:

- a. Is the only "limit" available for the described coverage; and

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- b. Is not the sum of the 'limit' indicated for a Supplemental Marine Coverage and the 'limit' for coverage described under Property Covered.

The 'limit' provided under a Supplemental Marine Coverage cannot be combined or added to the 'limit' for any other Supplemental Marine Coverage, Supplemental Coverage, or Coverage Extension including a Supplemental Marine Coverage, Supplemental Coverage, or Coverage Extension that is added to this policy by endorsement.

The following supplemental marine coverages are not subject to and not considered in applying coinsurance when coinsurance conditions are added to this coverage.

1. **Accounts Receivable** – "We" pay up to \$100,000 to cover losses and expenses that "you" incur as a result of a direct physical loss caused by a covered peril to "your" records of accounts receivable.

Losses and expenses under this coverage means:

- a. All sums due "you" from customers, provided "you" are unable to effect collection;
- b. Interest charges on any loan used to offset impaired collections pending "our" payment of such sums;
- c. Collection expenses in excess of normal collection costs made necessary because of loss or damage; and
- d. Other reasonable expenses incurred by "you" in recreating records of accounts receivable following such loss or damage.

2. **Electrical or Magnetic Disturbance of Computers** – "We" cover direct physical loss to "computers" caused by electrical or magnetic disturbance that results in electrical or magnetic damage to "computers" and damage to, disturbance of, or erasure of electronic records.

This coverage is part of and not in addition to the applicable "limit" for coverage described under Property Covered.

3. **Fine Arts** – "We" cover direct physical loss caused by a covered peril to "your" "fine arts" at "covered location". "We" also cover "your" "fine arts" while:
- a. Temporarily on display or exhibit away from a "covered location"; or
  - b. In transit between a "covered location" and a location where the "fine arts" will be temporarily on display or exhibit.

The most "we" pay for loss to "fine arts" in any one occurrence or at any one "covered location" is \$50,000.

4. **Hacking Coverage** – "We" cover direct physical loss to covered "computers", "your" "computer" network and "your" Web site caused by "computer hacking". However, "we" do not cover:
- a. Loss of exclusive use of any "data records" or "proprietary programs" that have been copied, scanned, or altered;
  - b. Loss of or reduction in economic or market value of any "data records" or "proprietary programs" that have been copied, scanned, or altered;
  - c. "Theft" from "your" "data records" or "proprietary programs" of confidential information through the observation of the "data records" or "proprietary programs" by accessing covered "computers", "your" computer network, or "your" Web site without any alteration or other physical loss or damage to the records or programs.

Confidential information includes, but is not limited to, customer information, processing methods, or trade secrets; and

- d. Except as provided under the Supplemental Income Coverages section of the Commercial Output Program - Income Coverage Part (if attached to this policy), denial of access to or services from "computers", "your" "computer" network, or "your" Web site.

The most "we" pay in any one occurrence under this Supplemental Marine Coverage is \$50,000.

The most "we" pay for all covered losses under this Supplemental Marine Coverage during each separate 12-month period of this policy is \$50,000.

5. **Off Premises Computers** -- "We" cover direct physical loss caused by a covered peril to "computers" in the custody of "you", "your" officers, "your" partners, or "your" employees, while:

- a. Away from a "covered location"; or
- b. In transit between a "covered location" and "you", "your" officers, "your" partners, or "your" employees.

The most "we" pay in any one occurrence for loss to off premises "computers" is \$10,000.

This clause is not restricted by the Territorial Limits.

6. **Power Supply Disturbance of Computers** -- "We" cover direct physical loss to "computers" caused by power supply disturbance such as interruption of power supply, power surge, blackout, or brownout.

This coverage is part of and not in addition to the applicable "limit" for coverage described under Property Covered.

7. **Property on Exhibition** -- "We" cover direct physical loss caused by a covered peril to business personal property while temporarily on display or exhibit at locations "you" do not regularly occupy.

The most "we" pay in any one occurrence for loss to property on exhibition is \$50,000.

8. **Property in Transit** -- "We" cover direct physical loss caused by a covered peril to business personal property while in transit, regardless if the loss involves one or more vehicles, conveyances, containers, trailers, or any combination of these.

- a. **Property You Have Sold** -- "We" also cover direct physical loss caused by a covered peril to business personal property that "you" have sold and are shipping at the owner's risk. "We" only pay for loss to business personal property that "you" have sold when the shipment has been rejected by the owner because:

- 1) The property is damaged; and
- 2) The owner of the property has refused to pay "you".

- b. **Rejected Shipments** -- "We" also cover direct physical loss caused by a covered peril to rejected shipments while in due course of transit back to "you" or while awaiting return shipment to "you".

- c. **Bills of Lading** -- "You" may accept bills of lading or shipping receipts issued by carriers for hire that "limit" their liability to less than the actual cash value of the covered property.

- d. **Perishable Stock** -- "We" do not cover loss to "perishable stock" resulting from a breakdown of refrigeration equipment on any vehicle, conveyance, container, or trailer.

The most "we" pay in any one occurrence for loss to property in transit is \$50,000.

9. **Sales Representative Samples** -- "We" cover direct physical loss caused by a covered peril to samples of "your" stock in trade (and containers) and similar property of others.

"We" cover samples of "your" stock in trade while the property is:

- a. In the custody of "your" sales representatives and agents;
- b. In "your" custody while acting as a sales representative; or
- c. In transit between a "covered location" and "your" sales representatives.

The most "we" pay in any one occurrence for loss to samples of "your" stock in trade is \$50,000.

10. **Software Storage** -- "We" cover direct physical loss caused by a covered peril to duplicate and back-up "software" stored at a "software" storage location. Each "software" storage location must be in a separate building which is at least 100 feet away from a "covered location".

The most "we" pay in any one occurrence for loss to duplicate and back-up "software" is \$50,000.

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11. **Valuable Papers and Records - Cost of Research** – “We” pay up to \$100,000 for the cost of research or other expenses necessary to reproduce, replace, or restore lost information on lost or damaged “valuable papers” and records. This includes those “valuable papers” and records which exist on electronic or magnetic “media” for which duplicates do not exist.

## PERILS COVERED

“We” cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

## PERILS EXCLUDED

1. “We” do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.
  - a. **Civil Authority** – “We” do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

“We” do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.
  - b. **Earth Movement** -- “We” do not pay for loss caused by any earth movement (other than “sinkhole collapse”) or caused by eruption, explosion, or effusion of a volcano. Earth movement includes, but is not limited to: earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting of earth.

“We” do cover direct loss by fire, explosion, or “volcanic action” resulting from either earth movement or eruption, explosion, or effusion of a volcano.

This exclusion does not apply to “computers”, “mobile equipment”, and the Supplemental Marine Coverages.
  - c. **Fungus Or Related Perils** --
    - 1) Except as provided under the Limited Fungus and Related Perils Property of the COMMAND<sup>®</sup> Property Coverage Part and COMMAND<sup>®</sup> Income Coverage, “we” do not pay for loss, cost, or expense caused by or relating to the existence of or any activity of “fungus or related perils”.

But if “fungus or related perils” results in a “specified peril”, “we” cover loss or damage caused by that “specified peril”.
    - 2) This exclusion does not apply to:
      - a) loss that results from fire or lightning; or
      - b) collapse caused by hidden decay, to the extent that such loss is covered under Other Coverages, Collapse.
  - d. **Nuclear Hazard** -- “We” do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.
  - e. **Ordinance or Law** -- Except as provided under Supplemental Coverages - Ordinance or Law, “we” do not pay for loss or increased cost caused by enforcement of any code, ordinance, or law regulating the use, construction, or repair of any building or structure; or requiring the demolition of any building or structure including the cost of removing its debris.

“We” do not pay for loss regardless if the loss is caused by or results from the:

    - 1) Enforcement of any code, ordinance, or law even if a building or structure has not been damaged; or

- 2) Increased costs that "you" incur because of "your" compliance with a code, ordinance, or law during the construction, repair, rehabilitation, remodeling, or razing of a building or structure, including the removal of debris, following a direct physical loss to the property.

- f. **Utility Failure** -- Except as provided under Coverage Extensions - Off Premises Utility Service Interruption, "we" do not pay for loss caused by or resulting from the failure of a utility to supply electrical power or other utility service to a "covered location", however caused, if the failure takes place away from the "covered location".

But if failure of a utility to supply electrical or other utility service to a "covered location" results in an "Equipment Breakdown" "we" cover the loss or damage caused by that "Equipment Breakdown".

This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

- g. **War and Military Action** -- "We" do not pay for loss caused by:

- 1) War, including undeclared war or civil war; or
- 2) A warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) Insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

- h. **Water** -- "We" do not pay for loss caused by water. This means:

- 1) "Flood", surface water, waves, tidal water, or the overflow of a body of water, all whether driven by wind or not. This includes spray that results from these whether driven by wind or not;
- 2) Water below the surface of the ground. This includes water that exerts pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

If fire, explosion, or sprinkler leakage results, "we" do cover the resulting loss. This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following excluded causes or events:

- a. **Animal Nesting, Infestation, or Discharge** -- "We" do not pay for loss caused by nesting, infestation, discharge, or release of waste products or secretions by animals, including but not limited to, birds, insects, or vermin.

But if nesting, infestation, discharge, or release of waste products or secretions by animals results in a "specified peril" or breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or breakage of building glass.

- b. **Collapse** -- "We" do not pay for loss caused by collapse, except as provided under the Other Coverages, Collapse. But if collapse results in a covered peril, "we" cover the loss or damage caused by that covered peril.

This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

- c. **Computer Hacking** -- Except as provided under Supplemental Marine Coverages - Hacking Coverage, "we" do not pay for:

- 1) Any direct or indirect loss or damage; or

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- 2) Loss of access, loss of use, or loss of functionality

Caused by "computer hacking".

- d. **Contamination or Deterioration** -- "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in covered property that causes it to damage or destroy itself.

But if contamination or deterioration results in a "specified peril" or breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or breakage of building glass.

This exclusion does not apply to loss caused by corrosion, decay, fungus, mildew, mold, rot, or rust to "computers" that results from direct physical damage by a covered peril to the air conditioning system that services "your" "computers".

- e. **Criminal, Fraudulent, Dishonest, or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:

- 1) "You";
- 2) Others who have an interest in the property;
- 3) Others to whom "you" entrust the property;
- 4) "Your" partners, officers, directors, trustees, joint adventurers; or
- 5) The employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for "theft" by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- f. **Defects, Errors, and Omissions** -- "We" do not pay for loss which results from one or more of the following:

- 1) An act, error, or omission (negligent or not) relating to:
  - a) Land use;
  - b) The design, specification, construction, workmanship, installation, or maintenance of property;
  - c) Planning, zoning, development, siting, surveying, grading, or compaction; or
  - d) Maintenance of property (such as land, structures, or improvements);Whether on or off a "covered location";

- 2) A defect, weakness, inadequacy, fault, or unsoundness in materials used in construction or repair, whether on or off a "covered location";

- 3) The cost to make good an error in design; or

- 4) A data processing error or omission in programming or giving improper instructions.

In addition, "we" do not pay for loss to business personal property caused by deficiencies or defects in design, specifications, materials, or workmanship, or caused by latent or inherent defects.

But if a defect, error, or omission as described above results in a covered peril, "we" cover the loss or damage caused by that covered peril.

- g. **Increased Hazard** -- "We" do not pay for loss occurring while the hazard has been materially increased by any means within "your" knowledge or "your" control.
- h. **Loss of Use** -- "We" do not pay for loss caused by loss of use, delay, or loss of market.
- i. **Neglect** -- "We" do not pay for loss caused by "your" neglect to use all reasonable means to save covered property at and after the time of loss.

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"We" do not pay for loss caused by "your" neglect to use all reasonable means to save and preserve covered property when endangered by a covered peril.

- j. **Pollutants** -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":
- 1) Unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
  - 2) Except as specifically provided under the Supplemental Coverages, "pollutant" Cleanup and Removal.

"We" do pay for any resulting loss caused by a "specified peril".

- k. **Seepage** -- "We" do not pay for loss caused by continuous or repeated seepage or leakage of water or steam, whether visible or not, that occurs over a period of 14 days or more.
- l. **Settling, Cracking, Shrinking, Bulging, or Expanding** -- "We" do not pay for loss caused by settling, cracking, shrinking, bulging, or expanding of pavements, footings, foundations, walls, ceilings, or roofs. But if settling, cracking, shrinking, bulging, or expanding results in a "specified peril" or the breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or the breakage of building glass.

This exclusion does not apply to "computers" and "mobile equipment".

- m. **Smoke, Vapor, or Gas** -- "We" do not pay for loss caused by smoke, vapor, or gas from agricultural smudging or industrial operations.

This exclusion does not apply to "computers" and "mobile equipment".

- n. **Smog** -- "We" do not pay for loss caused by smog. But if smog results in a "specified peril" or the breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or the breakage of building glass.

This exclusion does not apply to "computers" and "mobile equipment".

- o. **Temperature/Humidity** -- "We" do not pay for loss to:
- 1) Personal property, except as provided under Coverage Extensions - Off Premises Utility Service Interruption; or
  - 2) "Perishable stock";

Caused by dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature, as described above, results in a "specified peril" or the breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or the breakage of building glass.

"We" do pay for loss to "computers" that results from direct physical damage by a covered peril to the air conditioning system that services "your" "computers".

The most "we" will pay for loss or damage under this coverage in any one occurrence is \$10,000.

- p. **Voluntary Parting** -- Except as provided under Coverage Extensions - Fraud and Deceit, "we" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.
- q. **Wear and Tear** -- "We" do not pay for loss caused by wear and tear, marring, or scratching.
- But if wear and tear, marring, or scratching results in a "specified peril" or the breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or the breakage of building glass.
- r. **Weather** -- "We" do not pay for loss caused by weather conditions if the weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.

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But if weather conditions result in a covered peril, "we" cover the loss or damage caused by that covered peril.

#### **ADDITIONAL PROPERTY NOT COVERED OR SUBJECT TO LIMITATIONS**

1. **Accounts Receivable** -- "We" do not cover loss to accounts receivables that is a result of:
  - a. An error or omission in bookkeeping, accounting, or billing; or
  - b. "Your" discovery of a discrepancy in "your" books or records if an audit or inventory computation is necessary to prove the factual existence of the discrepancy.
2. **Animals** -- "We" do not cover loss to animals, including but not limited to birds and fish, except death or destruction of animals held for sale caused by "specified perils" or breakage of building glass.
3. **Furs** -- "We" do not cover furs or fur garments for loss by "theft" for more than \$10,000 total in any one occurrence.
4. **Glassware/Fragile Articles** -- "We" do not cover breakage of fragile articles such as glassware and porcelains, except as a result of "specified perils" or breakage of building glass.

This exclusion does not apply to:

  - a. Glass that is a part of a building or structure;
  - b. Bottles or other containers held for sale;
  - c. Lenses of photographic and scientific instruments; or
  - d. "Fine arts" as described under Supplemental Marine Coverages.
5. **Gutters and Downspouts** -- "We" do not cover loss to gutters and downspouts caused by the weight of ice, sleet, or snow.
6. **Interior of Buildings** -- "We" do not cover loss to the interior of buildings or structures or to personal property in the buildings or structures caused by rain, snow, sleet, ice, sand, or dust, unless:
  - a. Entering through openings made by a specified peril; or
  - b. The loss is caused by the thawing of snow, sleet, or ice on the building or structure.
7. **Jewelry, Watches, and Precious Stones** -- "We" do not cover more than \$10,000 total in any one occurrence for loss by "theft" of jewelry, watches, and precious stones, including but not limited to watch movements, jewels, pearls, and semi-precious stones. This limitation does not apply to items of jewelry, watches, or precious stones worth \$100 or less.
8. **Missing Property** -- "We" do not cover missing property when the only proof of loss is unexplained or mysterious disappearance, or shortage discovered on taking inventory, or other instance where there is no physical evidence to show what happened to the property.

This exclusion does not apply to property in the custody of carriers for hire.
9. **Personal Property in the Open** -- "We" do not cover loss to personal property in the open caused by rain, snow, ice, or sleet.

This exclusion does not apply to "mobile equipment" or to property in the custody of carriers for hire.
10. **Stamps, Tickets, and/or Letters of Credit** -- "We" do not cover more than \$5,000 total in any one occurrence for loss by "theft" to stamps, tickets (such as lottery tickets held for sale), or letters of credit.
11. **Unauthorized or Fraudulent Transfer** -- Except as provided under Coverage Extensions - Fraud and Deceit, "we" do not cover loss of, or loss caused by the transfer or delivery of covered property from a "covered location" or "your" "computer" to a person or place outside of a "covered location" on the basis of unauthorized or fraudulent instructions, including but not limited to instructions transmitted:
  - a. By a computer, whether or not owned by "you", or

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- b. Via any telecommunications transmission method.

## OTHER COVERAGES

1. **Collapse** -- "We" pay for loss caused by direct physical loss involving collapse as described in a., b., and c. below.
  - a. Collapse of a covered building or structure, any part of a building or structure, or personal property inside a building or structure, if the collapse is caused by one or more of the following:
    - 1) "Specified perils" or breakage of building glass all only as insured against in this Coverage Part;
    - 2) Hidden decay, unless "you" know of the presence of the decay prior to the collapse;
    - 3) Hidden insect or vermin damage, unless "you" know of the damage prior to the collapse;
    - 4) Weight of people or personal property;
    - 5) Weight of rain that collects on a roof; or
    - 6) Use of defective material or methods in construction, remodeling, or renovation if the collapse occurs during the course of the construction, remodeling, or renovation.

However, if the collapse occurs after construction, remodeling, or renovation is complete and is caused in part by a peril listed in 1) through 5) above, "we" will pay for the loss or damage even if the use of defective material or methods in construction, remodeling, or renovation, contributes to the collapse.
  - b. The following property is covered for loss involving collapse only if the collapse is of a building or structure or any part of a building or structure and is caused by one or more of the causes listed above in 1.a. or collapse caused by "specified perils" or breakage of building glass all only as insured against in this Coverage Part:
    - 1) Outdoor radio or television antennas (and satellite dishes) and their lead-in wiring, masts, or towers;
    - 2) Awnings, gutters, and down spouts;
    - 3) Yard fixtures;
    - 4) Outdoor swimming pools;
    - 5) Fences;
    - 6) Bulkheads, piers, wharves, and docks;
    - 7) Beach or diving platforms or appurtenances;
    - 8) Retaining walls that are not part of buildings; and
    - 9) Bridges, walkways, roadways, and other paved surfaces.
  - c. Collapse means a sudden and unexpected falling in or caving in of a building or structure or any portion of a building or structure with the result that the building or portion of the building cannot be occupied for its intended purpose.
  - d. The following are not considered to be in a state of collapse:
    - 1) A building or structure that is standing or any portion of a building that is standing even if it displays evidence of bending, bulging, cracking, expansion, leaning, sagging, settling, or shrinkage;
    - 2) A building or structure or any portion of a building structure in danger of falling in or caving; and
    - 3) A portion of a building or structure that is standing even if it has separated from another portion of the building or structure.

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2. **Tearing Out and Replacing** -- When "we" cover buildings or structures and a loss caused by water, other liquids, powder, or molten material is covered, "we" also pay the cost of tearing out and replacing any part of the covered building or structure to repair damage to the system or appliance from which the water or other substance escapes.

"We" also pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage results in discharge of any substance from an automatic fire protection system; or is directly caused by freezing.

The "terms" of the Limited Fungus And Related Perils Property and Income Coverages do not increase or decrease the coverages under Other Coverages:

1. Collapse; or
2. Tearing Out and Replacing.

## **WHAT MUST BE DONE IN CASE OF LOSS**

1. **Notice** -- In case of a loss, "you" must:
  - a. Give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice);
  - b. Give notice to the police when the act that causes the loss is a crime; and
  - c. Give notice to the credit card company if the loss involves a credit card.
2. **Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss. "We" will pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. However "we" will not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against. This does not increase "our" "limit".
3. **Proof of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
  - a. The time, place, and circumstances of the loss;
  - b. Other policies of insurance that may cover the loss;
  - c. "Your" interest and the interests of all others in the property involved, including all mortgages and liens;
  - d. Changes in title or occupancy of the covered property during the policy period;
  - e. Detailed estimates for repair or replacement of covered property; and
  - f. An inventory of damaged and undamaged covered property showing in detail the quantity, description, cost, actual cash value, and amount of the loss. "You" must attach to the inventory copies of all bills, receipts, and related documents that substantiate the inventory.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.

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8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by the COMMAND<sup>®</sup> coverages.

## VALUATION

1. **Replacement Cost** -- The value of covered property will be based on replacement cost without any deduction for depreciation unless Actual Cash Value is indicated on the "schedule of coverages".

The replacement cost is limited to the cost of repair or replacement with similar materials on the same site and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.

Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced. "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.

This replacement cost provision does not apply to paragraphs 3. through 13. below.
2. **Actual Cash Value** -- When Actual Cash Value is indicated on the "schedule of coverages" for covered property, the value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation) except as provided in paragraphs 3. through 13. below.
3. **Accounts Receivable** -- The value of accounts receivable will be based on the total sum of accounts receivable due. From this total "we" will deduct:
  - a. All amounts due from the records of accounts receivable that are not lost;
  - b. All amounts due that can be established by other means;
  - c. All amounts due that "you" have collected from the records that are lost;
  - d. All unearned interest and service charges; and
  - e. An amount to allow for bad debts.

If a loss occurs and "you" cannot establish the actual accounts receivable due, it will be determined as follows:

  - a. "We" will determine the total of the average monthly accounts receivable amounts for the 12-month period that directly precedes the month in which the loss occurred.
  - b. "We" will adjust the total for any normal variance in the accounts receivable amount for the month in which the loss occurred.
4. **Fine Arts** -- The value of "fine arts" will be based on the fair market value at the time of loss.
5. **Glass** -- The value of glass will be based on the cost of safety glazing material where required by code, ordinance, or law.
6. **Hardware** -- The following is the value of "hardware":
  - a. **Hardware That Is Replaced** -- The value of "hardware" that is replaced will be based on the cost of replacing the "hardware" with new equipment that is functionally comparable to the "hardware" that is being replaced.
  - b. **Hardware That Is Not Replaced** -- The value of "hardware" that is not repaired or replaced will be based on the actual cash value at the time of loss (with a deduction for depreciation).
  - c. **Partial Loss** -- In no event will "we" pay more than the reasonable cost of restoring partially damaged "hardware" to its condition directly prior to the damage.
7. **Loss to Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.
8. **Manufactured Stock** -- The value of stock manufactured by "you" will be based on the price that such stock would have been sold for, less all discounts and unincurred expenses.

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9. **Merchandise Sold** -- The value of merchandise that "you" have sold but not delivered will be based on the selling price less all discounts and unincurred expenses.
10. **Pair or Set** -- The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
11. **Software** -- The following is the value of "software":
  - a. **Programs and Applications** -- The value of "programs and applications" will be based on the cost to reinstall the "programs or applications" from the licensed discs that were originally used to install the programs or applications.

If the original licensed discs are lost, damaged, or can no longer be obtained, the value of "programs and applications" will be based on the cost of the most current version of the "programs or applications".
  - b. **Proprietary Programs** -- The value of "proprietary programs" will be based on the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.

If duplicate copies do not exist, the value of "proprietary programs" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost "proprietary programs".
  - c. **Data Records** -- The value of "data records" will be based on the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.

If duplicate copies do not exist, the value of "data records" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost files, documents, and records.
  - d. **Media** -- The value of "media" will be based on the cost to repair or replace the "media" with material of the same kind or quality.
12. **Tenant's Improvements** -- The value of lost or damaged tenant's improvements and the loss of undamaged tenant's improvements due to the cancellation of a lease will be based on the replacement cost if repaired or replaced at "your" expense within 24 months.

The value of lost or damaged tenant's improvements and the loss of undamaged tenant's improvements due to the cancellation of a lease will be based on a portion of "your" original cost if not repaired or replaced within 24 months. This portion is determined as follows:

  - a. Divide the number of days from the date of the loss to the expiration date of the lease by the number of days from the date of installation to the expiration date of the lease; and
  - b. Multiply the figure determined in 12.a. above by the original cost.

If "your" lease contains a renewal option, the expiration of the lease in this procedure will be replaced by the expiration of the renewal option period.

Lost or damaged tenant's improvements and the loss of undamaged tenant's improvements due to the cancellation of a lease are not covered if repaired or replaced at another's expense.
13. **Valuable Papers** -- The value of "valuable papers" will be based on their actual cash value at the time of loss.

## HOW MUCH WE PAY

1. **Automatic Increase** -- The "limit" on the "schedule of coverages" or the Scheduled Locations Endorsement is automatically increased annually by the annual percentage shown on the "schedule of coverages" or Scheduled Locations Endorsement for Automatic Increase.
2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount stated on the "schedule of coverages" in any one occurrence. The deductible applies to the loss before application of any coinsurance or reporting provisions.

3. **Earthquake Period** -- All earthquakes or volcanic eruptions that occur within a 168-hour period will be considered a single event. This 168-hour period is not limited by the policy expiration.
4. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
5. **Insurance Under More Than One Coverage** -- If more than one coverage of this policy insures the same loss, "you" can make claim under only one of the coverages.
6. **Insurance Under More Than One Policy** -- "You" may have another policy subject to the same plan, "terms", conditions, and provisions as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

If there is another policy covering the same loss, other than that described above, "we" will pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" will not pay more than the applicable "limit".

7. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 3., 5., 6., and 7. under How Much We Pay and coinsurance provisions (if applicable), "we" pay the lesser of:
  - a. The amount determined under Valuation;
  - b. The cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
  - c. The "limit" that applies to covered property.

## LOSS PAYMENT

1. **Our Options** -- In the event of loss covered by this coverage form, "we" have the following options:
  - a. Pay the value of the lost or damaged property;
  - b. Pay the cost of repairing or replacing the lost or damaged property;
  - c. Rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
  - d. Take all or any part of the property at the agreed or appraised value.

"We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.
2. **Your Losses** -- "We" will adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy. An insured loss will be payable 30 days after a satisfactory proof of loss is received, and the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".
3. **Property of Others** -- Losses to property of others may be adjusted with and paid to:
  - a. "You" on behalf of the owner; or
  - b. The owner.

If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits arising from the owners at "our" expense.

## OTHER CONDITIONS

In addition to the "terms" which are contained in other sections of the COMMAND<sup>®</sup> coverages, the following conditions apply.

1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit to Others** -- Insurance under the Commercial Output Program coverages will not directly or indirectly benefit anyone having custody of "your" property.
3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Control of Property** -- The Commercial Output Policy coverages are not affected by any act or neglect beyond "your" control.
5. **Death** -- If "you" die, "your" rights and duties will pass to "your" legal representative but only while acting within the scope of duties as "your" legal representative. Until "your" legal representative is appointed, anyone having proper temporary custody of "your" property will have "your" rights and duties but only with respect to that property.
6. **Liberalization** -- If a revision of a form or endorsement which broadens COMMAND® coverages without additional premium is adopted during the policy period, or within six months before this coverage is effective, the broadened coverage will apply.
7. **Jurisdictional Inspections** -- If Covered Property requires inspection to comply with state or municipal boiler and pressure vessel regulations, "we" agree to perform such inspection on "your" behalf.
8. **Misrepresentation, Concealment, or Fraud** -- These COMMAND® coverages are void as to "you" and any other insured if, before or after a loss:
  - a. "You" or any other insured have willfully concealed or misrepresented:
    - 1) A material fact or circumstance that relates to this insurance or the subject thereof; or
    - 2) "Your" interest herein; or
  - b. There has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
9. **Mortgage Provisions** -- If a mortgagee (mortgage holder) is named in this policy, loss to building property will be paid to the mortgagee and "you" as their interest appears. If more than one mortgagee is named, they will be paid in order of precedence.

The insurance for the mortgagee continues in effect even when "your" insurance may be void because of "your" acts, neglect, or failure to comply with the coverage "terms". The insurance for the mortgagee does not continue in effect if the mortgagee is aware of changes in ownership or substantial increase in risk and does not notify "us".

If "we" cancel this policy, "we" will notify the mortgagee at least ten days before the effective date of cancellation if "we" cancel for "your" nonpayment of premium, or 30 days before the effective date of cancellation if "we" cancel for any other reason.

"We" may request payment of the premium from the mortgagee if "you" fail to pay the premium.

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If "we" pay the mortgagee for a loss where "your" insurance may be void, the mortgagee's right to collect that portion of the mortgage debt from "you" then belongs to "us". This does not affect the mortgagee's right to collect the remainder of the mortgage debt from "you".

As an alternative, "we" may pay the mortgagee the remaining principal and accrued interest in return for a full assignment of the mortgagee's interest and any instruments given as security for the mortgage debt.

If "we" choose not to renew this policy, "we" will give written notice to the mortgagee at least ten days before the expiration date of this policy.

10. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
11. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
  - a. "You" must notify "us" promptly if "you" recover property or receive payment;
  - b. "We" must notify "you" promptly if "we" recover property or receive payment;
  - c. Any recovery expenses incurred by either are reimbursed first;
  - d. "You" may keep the recovered property, but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
  - e. If the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be prorated between "you" and "us" based on "our" respective interest in the loss.
12. **Restoration of Limits** -- Except as indicated under Coverage Extensions -- "Limited Fungus and Related Perils"; Supplemental Coverages - "pollutant" Cleanup and Removal ; and Supplemental Marine Coverages - Hacking Coverage, any loss "we" pay under the COMMAND® coverages does not reduce the "limits" applying to a later loss.
13. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" will not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.
14. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
  - a. All of the "terms" of the COMMAND® coverages have been complied with; and
  - b. The suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by the law.
15. **Suspension** -- Whenever Covered Property is found to be in, or exposed to, a dangerous condition, any of "our" representatives may immediately suspend the insurance against loss to that Covered Property for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension/coverage reinstatement to:
  - a. "Your" last known address; or
  - b. The address where the property is located.

If "we" suspend "your" insurance, "you" will get a pro rata refund of premium. But the suspension will be effective even if "we" have not yet made or offered a refund.
16. **Territorial Limits** -- "We" cover property while in the United States of America, its territories, Canada, and Puerto Rico.
17. **Vacancy -- Unoccupancy** -- "We" do not pay for loss caused by attempted "theft"; breakage of building glass; sprinkler leakage (unless "you" have protected the system against freezing); "theft"; vandalism; or water damage occurring while the building or structure has been:

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- a. Vacant for more than 60 consecutive days; or
- b. Unoccupied for more than:
  - 1) 60 consecutive days; or
  - 2) The usual or incidental unoccupancy period for a "covered location";

Whichever is longer.

The amount "we" will pay will be reduced by 15% for any loss by a covered peril, not otherwise excluded above, if the building or structure is vacant or unoccupied, as described above.

Unoccupied means that the customary activities or operations at a "covered location" are suspended, but business personal property has not been removed. The building or structure will be considered vacant and not unoccupied when the occupants have moved, leaving the building or structure empty or containing only limited business personal property. Buildings or structures under construction are not considered vacant or unoccupied.

## **COMMAND<sup>®</sup> INCOME COVERAGE PART COMMERCIAL OUTPUT PROGRAM**

Coverage provided under this coverage part is also subject to the "terms" and conditions in the Commercial Output Program - Property Coverage Part under the sections titled Agreement, Definitions, Property Not Covered, Perils Covered, Perils Excluded, What Must Be Done In Case Of Loss, Loss Payment, and Other Conditions.

### **COVERAGE OPTIONS**

One of the following described coverage options applies when that option is indicated on the "schedule of coverages":

1. Earnings, "rents", and extra expense.
2. Earnings and extra expense.
3. "Rents" and extra expense.
4. Extra expense only.

If option 1. above is selected, the term Earnings includes "rents". When Option 3. is indicated, the term Earnings means only "rents".

### **COVERAGE**

"We" provide the following coverage unless the coverage is excluded or subject to limitations.

"We" provide the coverages described below during the "restoration period" when "your" "business" is necessarily wholly or partially interrupted by direct physical loss of or damage to property at a "covered location" or in the open (or in vehicles) within 1,000 feet of a covered location as a result of a covered peril.

If "you" lease, rent, or do not own the building "you" occupy, for the purposes of determining an Income Coverage loss, "your" location is the space that "you" lease, rent, or occupy, including but not limited to:

1. All passageways to "your" location within the building; and
2. "Your" business personal property in the open (or in a vehicle) within 1,000 feet of a covered location.

### **EARNINGS**

"We" cover "your" actual loss of net income (net profit or loss before income taxes) that would have been earned or incurred and continuing operating expenses normally incurred by "your" "business", including but not limited to payroll expense.

The net sales value of goods that would have been produced is included in net income for manufacturing risks.

### **EXTRA EXPENSE**

"We" cover only the extra expenses that are necessary during the "restoration period" that "you" would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a covered peril.

"We" cover any extra expense to avoid or reduce the interruption of "business" and continue operating at a "covered location", replacement location, or a temporary location. This includes expenses to relocate and costs to outfit and operate a replacement or temporary location.

"We" will also cover any extra expense to reduce the interruption of "business" if it is not possible for "you" to continue operating during the "restoration period".

To the extent that they reduce a loss otherwise payable under this Coverage Part, "we" will cover any extra expenses to:

1. Repair, replace, or restore any property; and

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2. Research, replace, or restore information on damaged "valuable papers" or "data records".

#### EXCLUSIONS AND LIMITATIONS

The following exclusions apply in addition to the exclusions and limitations in the Commercial Output Program - Property Coverage Part.

1. **Finished Stock** – "We" do not cover loss caused by or resulting from loss or damage to stock manufactured by "you" which is ready to pack, ship, or sell. This includes loss caused by or resulting from the time required to reproduce such stock. This does not apply to stock manufactured and held for sale at retail outlets that "you" own and that are insured under this Coverage Part.
2. **Leases, Licenses, Contracts, or Orders** – "We" do not cover any increase in loss due to the suspension, lapse, or cancellation of leases, licenses, contracts, or orders.  
  
However, "we" do cover loss during the "restoration period" if the suspension, lapse, or cancellation results directly from the interruption of "your" "business".  
  
"We" do not cover any extra expense caused by the suspension, lapse, or cancellation of leases, licenses, contracts, or orders beyond the "restoration period".
3. **Strikes, Protests, and Other Interference** – "We" do not cover any increase in loss due to interference by strikers or other persons at a "covered location". This applies to interference with rebuilding, repairing, or replacing the property or with resuming "your" "business".

#### INCOME COVERAGE EXTENSIONS

The following Income Coverage Extensions indicate an applicable "limit" or limitation. This "limit" or limitation may also be shown on the "schedule of coverages". If a different "limit" or limitation is indicated on the "schedule of coverages", that "limit" or limitation will apply instead of the "limit" or limitation shown below.

The following Income Coverage Extensions are part of and not in addition to the applicable Income Coverage "limit".

1. **Interruption by Civil Authority** – "We" extend "your" coverage for earnings and extra expense to include loss sustained while access to "covered locations" or a "dependent location" is specifically denied by an order of civil authority. This order must be a result of direct physical loss of or damage to property, other than at a "covered location" and must be caused by a covered peril. Unless otherwise indicated on the "schedule of coverages", this Income Coverage Extension is limited to 30 consecutive days from the date of the order.
2. **Period of Loss Extension After Business Resumes** – "We" extend "your" coverage for earnings to cover loss from the date the covered property that incurred the loss is rebuilt, repaired, or replaced and "business" is resumed or tenantability is restored until:
  - a. The end of 90 consecutive days (unless otherwise indicated on the "schedule of coverages"); or
  - b. The date "you" could reasonably resume "your" "business" to the conditions that would generate the earnings amount or "rents" that would have existed had no loss or damage occurred, whichever is earlier.Loss of earnings or "rents" must be caused by direct physical loss of or damage to property at a "covered location" or in the open (or in vehicles) within 1,000 feet of a covered location as a result of a covered peril.
3. **Limited Fungus And Related Perils - Income Coverage --**
  - a. **Coverage --** Coverage for earnings and/or extra expense is extended to loss of earnings or extra expenses caused by "fungus or related perils".
  - b. **Coverage Limitation** – "We" only cover loss of earnings and/or extra expense caused by "fungus or related perils":
    - 1) When the "fungus or related peril" is the result of:
      - a) A "specified peril" other than fire or lightning; or

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- b) "Flood" (if the Flood Endorsement applies to the affected location);  
That occurs during the policy period; and
  - 2) If all reasonable steps were taken to protect the property from additional damage at and after the time of the occurrence.
- c. **Time Limitation** –
- 1) "We" will pay up to 30 days (unless otherwise indicated on the Limited Fungus and Related Perils Schedule) for loss of earnings and/or extra expense if a loss which resulted in "fungus or related perils" does not in itself interrupt "your" "business", but such interruption is necessary due to the loss or damage to property caused by "fungus or related perils". The days need not be successive.
  - 2) If a covered "business" interruption was caused by loss or damage other than "fungus or related perils" but remediation of "fungus and related perils" lengthens the "restoration period", "we" will pay up to 30 days (unless otherwise indicated on the Limited Fungus and Related Perils Schedule) for loss of earnings and/or expense sustained during the delay (regardless of when such delay for remediation occurs during the "restoration period"). The days need not be successive.

#### **SUPPLEMENTAL INCOME COVERAGES**

Unless otherwise indicated, the following Supplemental Income Coverages apply separately to each "covered location".

The following Supplemental Income Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages". If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

Unless otherwise indicated, a "limit" for a Supplemental Income Coverage provided below is separate from, and not part of, the applicable Income Coverage "limit". The "limit" available for coverage described under a Supplemental Income Coverage:

- a. Is the only "limit" available for the described coverage; and
- b. Is not the sum of the "limit" indicated for a Supplemental Income Coverage and the Income Coverage "limit".

The "limit" provided under a Supplemental Income Coverage cannot be combined or added to the "limit" for any other Supplemental Income Coverage.

##### **1. Computer Hacking --**

- a. **Coverage** -- Coverage for earnings and/or extra expense is extended to loss of earnings or extra expenses caused by "computer hacking" that results in:
  - 1) Direct physical loss or damage to covered "computers", "your" computer network, or "your" Web site; or
  - 2) Denial of access to or services from "your" "computer", "your" computer network, or "your" Web site.
- b. **Exclusions** – "We" do not cover loss of earnings or extra expenses under this Supplemental Income Coverage that results from:
  - 1) Loss of exclusive use of any "data records" or "proprietary programs" that have been copied, scanned, or altered;
  - 2) Loss of or reduction in economic or market value of any "data records" or "proprietary programs" that have been copied, scanned, or altered; or
  - 3) Theft from "your" "data records" or "proprietary programs" of confidential information through the observation of the "data records" or "proprietary programs" by accessing covered "computers", "your" computer network, or "your" Web site without any alteration or other physical loss or damage to the records or programs.

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Confidential information includes, but is not limited to customer information, processing methods, or trade secrets.

- c. **Waiting Period** -- Unless otherwise indicated on the "schedule of coverages", "we" do not pay for "your" loss of earnings under this Supplemental Income Coverage until after the first 12 hours following the direct physical loss of or damage to "your" "computers", "your" computer network, or "your" Web site. This waiting period does not apply to extra expenses that "you" incur.
- d. **Applicable Limit** -- The most "we" pay in any one occurrence under this Supplemental Income Coverage is \$25,000.

The most "we" pay for all covered losses under this Supplemental Income Coverage during each 12-month period of this policy is \$75,000.

- 2. **Dependent Locations** -- Coverage for earnings and/or extra expense is extended to loss of earnings or extra expenses that "you" incur during the "restoration period" when "your" "business" is interrupted by direct physical loss of or damage, caused by a covered peril, to property at a "dependent location".

The most "we" pay in any one occurrence under this Supplemental Income Coverage is \$25,000.

3. **Off Premises Utility Service Interruption** --

- a. **Coverage** -- Coverage for earnings and/or extra expense is extended to loss of earnings or extra expenses that "you" incur during the "restoration period" when "your" "business" is interrupted due to the interruption of an off premises utility services when the interruption is a result of direct physical loss or damage by a covered peril to property that is not located at a "covered location" and that is owned by a utility, a landlord, or another supplier who provides "you" with:
  - 1) Power or gas;
  - 2) Telecommunications, including but not limited to Internet access; or
  - 3) Water, including but not limited to waste water treatment.
- b. **Overhead Transmission Lines** -- If the "schedule of coverages" indicates that overhead transmission lines are excluded, coverage under this Supplemental Income Coverage does not include loss to overhead transmission lines that deliver utility service to "you". Overhead transmission lines include, but are not limited to:
  - 1) Overhead transmission and distribution lines;
  - 2) Overhead transformers and similar equipment; and
  - 3) Supporting poles and towers.
- c. **Waiting Period** -- Unless otherwise indicated on the "schedule of coverages", "we" do not pay for "your" loss of earnings under this Supplemental Income Coverage until after the first 72 hours following the direct physical loss of or damage to the property owned by a utility, a landlord, or another supplier. This waiting period does not apply to extra expenses that "you" incur.
- d. **Applicable Limit** -- The most "we" pay in any one occurrence under this Supplemental Income Coverage is \$1,000.

- 4. **Pollutant Cleanup and Removal** -- When there is a loss to a "covered location" caused by a covered peril, coverage for earnings is extended to loss of earnings during the "restoration period" due to the increased time of interruption of "your" "business" caused by the enforcement of any ordinance, law, or decree that requires "you" to extract "pollutants" from land or water at the "covered location".

This Supplemental Income Coverage only applies if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" into the land or water at the "covered locations" is caused by a covered peril and occurs during the policy period.

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Coverage for earnings is not extended to loss of earnings during the "restoration period" due to the increased time of interruption of "your" "business" caused by the enforcement of any ordinance, law, or decree that requires "you" to test, evaluate, observe, or record the existence, level, or effects of "pollutants". However, "we" cover the increased period of interruption when testing is necessary for the extraction of "pollutants" from land or water.

The ordinance, law, or decree must be in force at the time of loss.

The most "we" pay in any one occurrence or at any one location under this Supplemental Income Coverage is \$25,000.

5. **Property In Transit, On Exhibition, or In The Custody Of Sales Representatives --** Coverage for earnings is extended to loss of earnings during the "restoration period" when "your" "business" is interrupted as a result of a direct physical loss, caused by a covered peril, to property in transit, on exhibition, or in the custody of sales representatives as described under the Supplemental Marine Coverages in Commercial Output Program - Property Coverage Part.

The most "we" pay in any one occurrence under this Supplemental Income Coverage is \$10,000.

#### **WHAT MUST BE DONE IN CASE OF LOSS**

Other "terms" relating to What Must Be Done In Case Of Loss also apply. These "terms" are described in the Commercial Output Program - Property Coverage Part.

**Intent to Continue Business** -- If "you" intend to continue "your" "business", "you" must resume all or part of "your" "business" as soon as possible.

#### **VALUATION**

1. **Earnings** -- In determining an earnings loss "we" consider:

- a. The experience of "your" "business", before the loss and the probable experience during the time of interruption had no loss occurred;
- b. "Your" continuing operating expenses normally incurred by "your" "business", including but not limited to payroll expense necessary to resume "business" to a similar level of service that existed before the occurrence of direct physical loss or damage; and
- c. Pertinent sources of information and reports including:
  - 1) "Your" accounting procedures and financial records;
  - 2) Bills, invoices, and other vouchers;
  - 3) Contracts, deeds, and liens;
  - 4) Reports on feasibility and status; and
  - 5) Records documenting "your" budget and marketing objectives and results.

"We" do not pay for any increase in loss due to "your" failure to use reasonable efforts to resume all or part of "your" "business". This includes making use of other locations and property to reduce the loss.

If "your" "business" is not resumed as soon as possible, or if it is not resumed at all, the value of loss payment is based on the period of time it would have otherwise taken to resume "your" "business" as soon as possible.

Only as regards coverage described under Dependent Locations in the Income Coverage Extensions, "we" will reduce the amount of "your" loss of earnings to the extent "you" can resume "your" "business" by using other available sources of materials or outlets for "your" products.

2. **Extra Expense** -- In determining extra expenses that "you" have incurred, "we" consider the salvage value of any property bought for temporary use during the "restoration period" and it will be deducted from the amount of loss determined for extra expense.

#### **HOW MUCH WE PAY**

Other "terms" relating to How Much We Pay also apply. These "terms" are described in the Commercial Output Program - Property Coverage Part.

"We" pay no more than the Income Coverage "limit" indicated on the "schedule of coverages" for any one loss. Payment for earnings, extra expense, and "rents" combined does not exceed the "limit".

#### **LOSS PAYMENT**

See the Commercial Output Program - Property Coverage Part.

#### **OTHER CONDITIONS**

The following condition applies as it relates to this Coverage Part, other "terms" also apply. These "terms" are described in the Commercial Output Program - Property Coverage Part.

**Appraisal** -- If "you" and "we" do not agree on the amount of net income (net profit or loss before income taxes), payroll expense, and operating expenses, or the amount of loss, either party may demand that these amounts be determined by appraisal in accordance with the provisions described in the Commercial Output Program - Property Coverage Part under Other Conditions, Appraisal.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITATION ON LOSS SETTLEMENT – BLANKET INSURANCE (MARGIN CLAUSE)**

This endorsement modifies insurance provided under the COMMAND PROPERTY COVERAGE PART

### **SCHEDULE**

<b>Premises Number:</b> 1, 2, 3, AND 8	<b>Building Number:</b> 1	<b>Margin Clause:</b> 110 %
<b>Description Of Property:</b> BLANKET BUILDING		
<b>Premises Number:</b> 1, 2, 3, 7 AND 8	<b>Building Number:</b> 1	<b>Margin Clause:</b> 110 %
<b>Description Of Property:</b> BLANKET BUSINESS PERSONAL PROPERTY INCLUDING STOCK AND BUSINESS PERSONAL PROPERTY OF OTHERS		

Information required to complete this Schedule if not shown above will be shown in the Declarations.

**A. This endorsement applies to loss settlement on property that is subject to a Blanket Limit of Insurance.**

A Blanket Limit of Insurance is a single Limit of Insurance that applies to any of the following as shown elsewhere in this policy:

1. Two or more buildings;
2. Building and contents;
3. Contents of more than one building; or
4. Contents at more than one premises.

**B. Margin Clause**

With respect to property that is subject to a Blanket Limit of Insurance, we will determine a maximum loss payable for each building and for the contents of each building or the contents at each premises. The maximum loss payable is determined by applying the applicable Margin Clause percentage indicated in the Schedule to the value of the property as shown in the latest statement of values reported to us. If the statement of values does not state individually the value of each building and the value of contents at each building or premises, we will determine individual values as a part of the total reported values prior to application of the Margin Clause percentage.

Actual loss payment will be determined based on the amount of loss or damage subject to all applicable policy provisions including the Limits of Insurance Condition, Coinsurance, Deductible and Valuation Conditions. But the actual loss payment, for each building, for the contents of each building or for the contents at each premises, will not exceed the maximum loss payable as described above and will not exceed the Blanket Limit of Insurance.

The Margin Clause does not increase the Blanket Limit of Insurance

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

### **COMMAND PROPERTY COVERAGE PART**

- A.** We will not pay for loss or damage caused directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.
- 1.** The failure, malfunction or inadequacy of,
    - a.** Any of the following, whether belonging to any insured or to others;
      - (1)** Computer hardware, including microprocessors;
      - (2)** Computer application software;
      - (3)** Computer operating systems and related software;
      - (4)** Computer networks;
      - (5)** Microprocessors (computer chips) not part of the computer system; or
      - (6)** Any other computerized or electronic equipment or components; or
    - b.** Any other products, any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph **A.1.a.** of this endorsement;  
  
due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates and times. An example is the inability of computer software to recognize the year 2000.
  - 2.** Any advice; consultation; design; evaluation; inspection; installation; maintenance; repair; replacement; or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss is described in Paragraph **A.** of this endorsement results:
- 1.** In a loss by a "Specified Peril" under the **COMMAND PROPERTY COVERAGE PART**, we will pay only for the loss or damage caused by such "Specified Peril" or "Named Causes of Loss".
- C.** We will not pay for repair; replacement; or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ROOF VALUATION ENDORSEMENT**

This endorsement modifies coverage provided under the following:

COMMAND PROPERTY COVERAGE PART COMMERCIAL OUTPUT PROGRAM

The following valuation applies to the buildings at:

3634 PENNRIDGE, BRIDGETON, MO 63044

Loss or damage to the "roof" will be adjusted based on the Actual Cash Value. Loss or damage to the balance of the building will be adjusted based on the Replacement Cost. The terms Actual Cash Value and Replacement Cost are described on Page 27 of form CP 7600 COMMAND PROPERTY COVERAGE PART COMMERCIAL OUTPUT PROGRAM under the section entitled VALUATION.

For loss or damage to the "roof", for the above listed location, "we" pay only the amount in excess of \$10,000 in any one occurrence. If there is damage to the "roof" and other property, the \$10,000 applies to all losses, so that two deductibles will not apply on the same occurrence.

"Roof" is defined as:

- the top covering
- all decking
- all beams and joists
- soffit
- fascia
- insulation

All else remains unchanged.





POLICY NUMBER: CPP12934821701  
ACCOUNT NUMBER: 10875350

IL DS 71 05 02 08

## COMMON POLICY DECLARATIONS

<b>AMERISURE INSURANCE COMPANY</b> 26777 HALSTED ROAD FARMINGTON HILLS, MI 48331-3586	<b>THE CORNERSTONE INSURANCE GROUP, LLC</b> P O BOX 419151 SAINT LOUIS, MO 63141  0305674-
NAMED INSURED: <u>CARDINAL BUILDING MATERIALS, INC.</u>	
MAILING ADDRESS: <u>C/O TOM LIESSE</u> <u>3634 PENNRIDGE DR</u> <u>BRIDGETON, MO 63044-1229</u>	
POLICY PERIOD: FROM <u>12/31/2012</u> TO <u>12/31/2013</u> AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.	

<b>BUSINESS DESCRIPTION</b>	<b>BUILDING MATERIALS</b>
-----------------------------	---------------------------

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
	PREMIUM
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART	\$ _____
COMMERCIAL AUTOMOBILE COVERAGE PART	\$ _____
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$ <u>15,460.00</u>
COMMERCIAL INLAND MARINE COVERAGE PART	\$ _____
COMMERCIAL LIABILITY UMBRELLA	\$ _____
COMMERCIAL PROPERTY COVERAGE PART	\$ _____
CRIME AND FIDELITY COVERAGE PART	\$ _____
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART	\$ _____
EQUIPMENT BREAKDOWN COVERAGE PART	\$ _____
FARM COVERAGE PART	\$ _____
LIQUOR LIABILITY COVERAGE PART	\$ _____
POLLUTION LIABILITY COVERAGE PART	\$ _____
PROFESSIONAL LIABILITY COVERAGE PART	\$ _____
<u>EMPLOYEE BENEFIT LIABILITY COVERAGE PART</u>	\$ <u>375.00</u>
<b>TOTAL:</b>	<b>\$ <u>15,835.00</u></b>
Premium shown is payable: \$ _____ at inception. \$ <u>15,835.00</u>	

Issue Date: 01/10/2013

IL DS 71 05 02 08

INSURED COPY

Page 1 of 2 ☐

**FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):**

"SEE FORMS & ENDORSEMENT SCHEDULE"

Countersigned:	By:
(Date)	(Authorized Representative)

**NOTE**

OFFICERS' FACSIMILE SIGNATURES MAY BE INSERTED HERE, ON THE POLICY COVER OR ELSEWHERE AT THE COMPANY'S OPTION.



## IMPORTANT INFORMATION TO POLICYHOLDERS

We appreciate the trust you and your independent agent placed in us when you chose Amerisure for your coverage. As a policyholder you rightfully expect that valid claims will be settled promptly and fairly. That's Amerisure's longstanding claims policy.

In the event you need to contact someone about this policy for any reason please contact your agent. If you have additional questions you may contact the insurance company issuing this policy at the following address and telephone number:

540 MARYVILLE CENTRE, SUITE 230  
SAINT LOUIS, MO 63141  
(314)542-1400

If you have been unable to contact or obtain satisfaction from the company or the agent, you may contact the Bureau of Insurance at:

Illinois Department of Financial and Professional Regulation  
Consumer Complaints  
Division of Insurance  
320 W. Washington Street  
Springfield, IL 62767

Written correspondence is preferable so that a record of your inquiry is maintained. When contacting your agent, company or the Bureau of Insurance, have your policy number available.

POLICY NUMBER: CPP12934821701

COMMERCIAL GENERAL LIABILITY  
CG DS 70 01 09 06**COMMERCIAL GENERAL LIABILITY DECLARATIONS**

<b>AMERISURE INSURANCE COMPANY</b> 26777 HALSTED ROAD FARMINGTON HILLS, MI 48331-3586	<b>THE CORNERSTONE INSURANCE GROUP, LLC</b> P O BOX 419151 SAINT LOUIS, MO 63141
NAMED INSURED: <u>CARDINAL BUILDING MATERIALS, INC.</u> <hr/> <hr/>	
MAILING ADDRESS: <u>C/O TOM LIESSE</u> <u>3634 PENNRIDGE DR</u> <u>BRIDGETON, MO 63044-1229</u>	
POLICY PERIOD: FROM <u>12/31/2012</u> TO <u>12/31/2013</u> AT 12:01 A.M. TIME AT YOUR MAILING ADDRESS SHOWN ABOVE	

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

LIMITS OF INSURANCE		
EACH OCCURRENCE LIMIT	\$ <u>1,000,000</u>	
DAMAGE TO PREMISES		
RENTED TO YOU LIMIT	\$ <u>100,000</u>	Any one premises
MEDICAL EXPENSE LIMIT	\$ <u>5,000</u>	Any one person
PERSONAL & ADVERTISING INJURY LIMIT	\$ <u>1,000,000</u>	Any one person or organization
GENERAL AGGREGATE LIMIT	\$ <u>2,000,000</u>	
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$ <u>2,000,000</u>	

RETROACTIVE DATE (CG 00 02 ONLY)
THIS INSURANCE DOES NOT APPLY TO "BODILY INJURY", "PROPERTY DAMAGE" OR "PERSONAL AND ADVERTISING INJURY" WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN BELOW. RETROACTIVE DATE: _____ (ENTER DATE OR "NONE" IF NO RETROACTIVE DATE APPLIES)

DESCRIPTION OF BUSINESS
FORM OF BUSINESS:  <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> INDIVIDUAL</span> <span><input type="checkbox"/> PARTNERSHIP</span> <span><input type="checkbox"/> JOINT VENTURE</span> <span><input type="checkbox"/> TRUST</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <span><input type="checkbox"/> LIMITED LIABILITY COMPANY</span> <span><input checked="" type="checkbox"/> ORGANIZATION, INCLUDING A CORPORATION (BUT NOT INCLUDING A PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY)</span> </div>
BUSINESS DESCRIPTION: <u>BUILDING MATERIALS</u>

ALL PREMISES YOU OWN, RENT OR OCCUPY	
LOCATION NUMBER	ADDRESS OF ALL PREMISES YOU OWN, RENT OR OCCUPY
SEE SCHEDULE	SEE SCHEDULE

CLASSIFICATION AND PREMIUM							
LOCATION NUMBER	CLASSIFICATION	CODE NO.	PREMIUM BASE	RATE		ADVANCE PREMIUM	
				Prem/ Ops	Prod/Comp Ops	Prem/ Ops	Prod/Comp Ops
SEE SCHEDULE	SEE SCHEDULE	SEE SCHEDULE	SEE SCHEDULE	SEE SCHEDULE	SEE SCHEDULE	\$7,944	\$6,522
STATE TAX OR OTHER (if applicable) \$ 994.00							
PREMIUM SHOWN IS PAYABLE:                      AT INCEPTION                      \$ 15,460.00 AT EACH ANNIVERSARY                      \$ _____ (IF POLICY PERIOD IS MORE THAN ONE YEAR AND PRE- MIUM IS PAID IN ANNUAL INSTALLMENTS)							
AUDIT PERIOD (IF APPLICABLE)		<input checked="" type="checkbox"/> ANNUALLY	<input type="checkbox"/> SEMI- ANNUALLY	<input type="checkbox"/> QUARTERLY		<input type="checkbox"/> MONTHLY	

ENDORSEMENTS
ENDORSEMENTS ATTACHED TO THIS POLICY:
<div style="border: 1px solid black; padding: 5px; text-align: center;">           SEE FORMS AND ENDORSEMENTS SCHEDULE         </div>

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

Countersigned:	By:
(Date)	(Authorized Representative)

**NOTE**

OFFICERS' FACSIMILE SIGNATURES MAY BE INSERTED HERE, ON THE POLICY COVER OR ELSEWHERE AT THE COMPANY'S OPTION.

**Named Insured Schedule**

**POLICY NUMBER** CPP12934821701

**EFFECTIVE DATE** 12/31/2012

**NAMED INSURED** CARDINAL BUILDING MATERIALS, INC.

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**Named Insured**

CARDINAL BUILDING MATERIALS, INC.

BTL, LLC AS RESPECT TO 125 RESOURCE DRIVE, WENTZVILLE, MO

CARDINAL WINDOW MANUFACTURING INC

GLENVIEW HEIGHTS, LLC AS RESPECT 101 E PINECREST, PEORIA, IL

GRANITE CITY, LLC AS RESPECT TO RT 111 & STATE HWY 35, GRANITE CITY, IL

H. STONE, LLC AS RESPECT 3634 PENNRIDGE, BRIDGETON, MO

MOELLER-REIMER, A CARDINAL WINDOW COMPANY

MOELLER-REIMER, LLC

PARTNERS GROUP, LLC AS RESPECT 605 ARROW LANE, O'FALLON, MO AND 3760 PENNRIDGE DRIVE,  
BRIDGETON, MO 63044

**General Liability Premises Schedule**

**POLICY NUMBER** CPP12934821701

**EFFECTIVE DATE** 12/31/2012

CARDINAL BUILDING MATERIALS, INC.

**NAMED INSURED** \_\_\_\_\_

**ALL PREMISES YOU OWN, RENT OR OCCUPY**

<b>LOC.</b>	<b>ADDRESS</b>
001	4565 MCCREE AVENUE ST LOUIS, MO 63110
002	2699 CLEARLAKE SPRINGFIELD, IL 62707
003	3634 PENNRIDGE BRIDGETON, MO 63044
004	RT 111 & STATE HWY 35 GRANITE CITY, IL 62040
010	605 ARROW LANE O'FALLON, MO 63366
012	125 RESOURCE DRIVE WENTZVILLE, MO 63385
017	STORAGE UNIT #B13 AT 3760 PENNRIDGE DRIVE BRIDGETON, MO 63044

# Commercial General Liability Classification and Premium Schedule

POLICY NUMBER CPP12934821701 EFFECTIVE DATE 12/31/2012  
CARDINAL BUILDING MATERIALS, INC.

## NAMED INSURED

## CLASSIFICATION AND PREMIUM

Line 1	LOCATION	CODE NO.	EXPOSURE	PREMIUM BASE	COVERAGE	RATE	ADVANCE PREMIUM
Line 2	CLASSIFICATION						
001	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL	10255	30000000	GROSS SALES	PREM/OPS	0.4220	\$1,266.00
001	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL	10255	30000000	GROSS SALES	PROD/COMOPS	0.3340	\$1,002.00
001	CONTRACTORS - SUBCONTRACTED WORK - IN CONNECTION WITH CONSTRUCTION, RECONSTRUCTION, REPAIR OR ERECTION OF BUILDINGS	91585	0	TOTAL COST	PREM/OPS	0.8280	\$ .00
001	CONTRACTORS - SUBCONTRACTED WORK - IN CONNECTION WITH CONSTRUCTION, RECONSTRUCTION, REPAIR OR ERECTION OF BUILDINGS	91585	0	TOTAL COST	PROD/COMOPS	0.4610	\$ .00
002	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL	10255	18000000	GROSS SALES	PREM/OPS	0.5200	\$936.00
002	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL	10255	18000000	GROSS SALES	PROD/COMOPS	0.4900	\$882.00
003	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL	10255	12800000	GROSS SALES	PREM/OPS	0.4220	\$5,402.00



# Commercial General Liability Classification and Premium Schedule

POLICY NUMBER CPP12934821701 EFFECTIVE DATE 12/31/2012

CARDINAL BUILDING MATERIALS, INC.

NAMED INSURED

## CLASSIFICATION AND PREMIUM

Line 1	LOCATION NUMBER	CODE NO.	EXPOSURE	PREMIUM BASE	COVERAGE	RATE	ADVANCE PREMIUM
Line 2	CLASSIFICATION						
003	10255	12800000	GROSS SALES	PROD/COMOPS	0.3340		\$4,275.00
	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL						
003	54077	792863	GROSS SALES	PREM/OPS	0.1880		\$149.00
	GLASS OR GLASSWARE MFG.						
003	54077	792863	GROSS SALES	PROD/COMOPS	0.4580		\$363.00
	GLASS OR GLASSWARE MFG.						
004	49451	10	EACH ACRE	PREM/OPS	0.8830		\$9.00
	VACANT LAND - OTHER THAN NOT-FOR-PROFIT - PRODUCTS/COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT						
010	61212	12500	AREA	PREM/OPS	14.2990		\$179.00
	BUILDINGS OR PREMISES - BANK OR OFFICE - MERCANTILE OR MANUFACTURING (LESSOR'S RISK ONLY) - OTHER THAN NOT-FOR-PROFIT ONLY - PRODUCTS/COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT						
012	49451	5	EACH ACRE	PREM/OPS	0.5370		\$3.00
	VACANT LAND - OTHER THAN NOT-FOR-PROFIT - PRODUCTS/COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT						
017	10255	0	GROSS SALES	PREM/OPS	0.4220		\$ .00
	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL						

# Commercial General Liability Classification and Premium Schedule

POLICY NUMBER CPP12934821701 EFFECTIVE DATE 12/31/2012

CARDINAL BUILDING MATERIALS, INC.

NAMED INSURED

## CLASSIFICATION AND PREMIUM

Line 1	LOCATION	CODE NO.	EXPOSURE	PREMIUM BASE	COVERAGE	RATE	ADVANCE PREMIUM
Line 2	NUMBER						
Line 2	CLASSIFICATION						
	017	10255	0	GROSS SALES	PROD/COMOPS	0.3340	\$ .00
	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL						
	IL	TERRORISM - FEDERAL BACKSTOP					\$8.00
	MO	ADVANTAGE GENERAL LIABILITY EXTENSION ENDORSEMENT					\$500.00
	MO	ADVANTAGE BLANKET ADDITIONAL INSURED					\$434.00
	MO	TERRORISM - FEDERAL BACKSTOP					\$52.00

**Policy Number:** CPP12934821701      **Effective Date:** 12/31/2012  
**Named Insured:** CARDINAL BUILDING MATERIALS, INC.

<u>Form Number</u>	<u>Description</u>
<b>COMMON FORMS</b>	
A 40 35 11 10	IMPORTANT INFORMATION TO POLICYHOLDERS (IL)
IL 02 74 09 08	MISSOURI CHANGES - CANCELLATION AND NONRENEWAL
M 10 89 05 09	AMERISURE INSURANCE COMPANY - SIGNATURE PAGE

IL 00 03 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

IL 00 17 11 98

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

IL 00 21 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT** (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

**(c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

**(d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

IL 02 74 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MISSOURI CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Commercial Property Coverage Part in this endorsement also refers to the Standard Property Policy.

**B.** With respect to the:

Commercial General Liability Coverage Part  
Commercial Property – Legal Liability Coverage  
Form **CP 00 40**

Commercial Property – Mortgageholders Errors  
And Omissions Coverage Form **CP 00 70**

Crime And Fidelity Coverage Part

Employment-related Practices Liability Coverage  
Part

Equipment Breakdown Coverage Part

Farm Liability Coverage Form

Liquor Liability Coverage Part

Pollution Liability Coverage Part

Products/Completed Operations Liability Coverage  
Part

Medical Professional Liability Coverage Part;

the following **Cancellation** and **Nonrenewal** Pro-  
visions apply:

**1.** Paragraph **2.** of the **Cancellation** Common  
Policy Condition is replaced by the following:

**2.** We may cancel this policy by mailing or  
delivering to the first Named Insured written  
notice of cancellation, stating the actual reason  
for cancellation, at least:

**a.** 10 days before the effective date of cancel-  
lation if we cancel for nonpayment of pre-  
mium;

**b.** 30 days before the effective date of cancel-  
lation if cancellation is for one or more of  
the following reasons:

**(1)** Fraud or material misrepresentation  
affecting this policy or a claim filed un-  
der this policy or a violation of any of the  
terms or conditions of this policy;

**(2)** Changes in conditions after the effective  
date of this policy which have materially  
increased the risk assumed;

**(3)** We become insolvent; or

**(4)** We involuntarily lose reinsurance for this  
policy.

**c.** 60 days before the effective date of cancel-  
lation if we cancel for any other reason.

### **NONRENEWAL**

**2.** The following is added and supersedes any  
provision to the contrary:

**a.** We may elect not to renew this policy by  
mailing or delivering to the first Named In-  
sured, at the last mailing address known to  
us, written notice of nonrenewal, stating the  
actual reason for nonrenewal, at least 60  
days prior to the effective date of the non-  
renewal.

**b.** If notice is mailed, proof of mailing will be  
sufficient proof of notice.



**C.** With respect to the:

Capital Assets Program (Output Policy) Coverage Part

Commercial Property Coverage Part

Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions Coverage Form

Farm – Livestock Coverage Form

Farm – Mobile Agricultural Machinery And Equipment Coverage Form;

the **Cancellation** Common Policy Condition is replaced by the following:

**CANCELLATION, NONRENEWAL AND DECREASES IN COVERAGE**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel, nonrenew, reduce in amount or adversely modify this policy by mailing or delivering to the first Named Insured written notice of this action at least:
  - a. 10 days before the effective date of this action if due to nonpayment of premium or evidence of incendiarism; or
  - b. 30 days before the effective date of this action if for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of:
  - a. Cancellation will state the effective date of cancellation. The policy period will end on that date.
  - b. Any other action will state the effective date of that action.
5. If this policy is cancelled, not renewed, reduced in amount or adversely modified, we will send the first Named Insured any premium refund due. If we take this action, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. This action will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

POLICY NUMBER: CPP12934821701

IL 09 90 01 08

# MISSOURI – DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

## SCHEDULE

**Terrorism Premium (Certified Acts) \$52.00**

**This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):**

COMPREHENSIVE GENERAL LIABILITY, CPP12934821701, EMPLOYEE BENEFITS  
LIABILITY, CPP12934821701

**Additional information, if any, concerning the terrorism premium:**

**NOTE:** The premium above is for certain losses resulting from certified acts of terrorism as covered pursuant to coverage provisions, limitations and exclusions in this policy. You should read the definition in your policy carefully, but generally speaking, "certified" acts of terrorism are acts that exceed \$5 million in aggregate losses to the insurance industry and which are subsequently declared by the U.S. Secretary of the Treasury as a certified terrorist act under the Terrorism Risk Insurance Act. Some losses resulting from certified acts of terrorism are not covered. Read your policy and endorsements carefully.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

### A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

### B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

**C. Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**PRIVACY PROTECTION CONDITION**

This endorsement modifies the following:

**COMMON POLICY CONDITIONS**

**Privacy Protection**

The COMMON POLICY CONDITIONS is modified to include the following additional Condition: Privacy Protection

- a. This policy provides that you will report claims to us as soon as practicable and will cooperate with us in the investigation and settlement of claims. To enable you to assist us in the claim handling process we, or our independent agent, may share certain information with you. This information may be Confidential Information. Confidential Information means non-public personal information. This information will be shared solely for the purpose of helping to effect, administer or enforce rights and benefits payable or recoverable under this policy.
- b. You agree to use such Confidential Information solely to perform the services and obligations required under this policy. You will not use Confidential Information for any other purpose. You will use information shared to:
  - (1) work with us to develop settlement or litigation strategies on your behalf.
  - (2) detect and investigate any suspected fraud.
  - (3) support our safety, loss prevention, and case management programs. Case management includes utilization review, disability management, return to work, and light duty programs.
  - (4) check your premium charges and billings for accuracy.
  - (5) monitor our claim handling practices for quality assurance, quality improvement and performance evaluation purposes.
  - (6) report to us any information that may contribute to the fair and final resolution of all claims.

You specifically agree not to use any Confidential Information to market your products or services. You will also not use Confidential Information to make personnel or employment related decisions.

- c. You agree to protect the privacy of Confidential Information. You will not share Confidential Information, either directly or indirectly with any third party, except as may be allowed by law. You will share Confidential Information only with your employees who have a need for such information to perform their duties under this policy. If you need to disclose any Confidential Information to a third party in order to perform your duties under this policy, you will first get our written consent. You will then enter into a confidentiality agreement with such third party. Under that confidentiality agreement such third party must be restricted from disclosing, using or copying Confidential Information, except as consistent with this policy.

Nothing in this endorsement shall affect the coverage provided by this policy. Provided, however, if permitted by law, we may cancel your policy in the event you use or disclose Confidential Information other than as provided in this endorsement or permitted by law.

**IL 70 27 07 01**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EARLIER NOTICE OF CANCELLATION  
PROVIDED BY US - MISSOURI**

**Number of Days Notice** 60

*(Total days of notice not to be less than 60 days)*

For any statutorily permitted reason **other than nonpayment of premium**, the number of days required for notice of cancellation is increased to the number of days shown in the Schedule above.

If this policy is cancelled by us we will send the Named Insured and any party listed in the following schedule notice of cancellation based on the number of days notice shown above.

**Schedule**

**Name of Person or Organization**

The Name of Person or Organization is any person or organization holding a certificate of insurance issued for you, provided the certificate:

1. Refers to this policy;
2. States that notice of:
  - a. Cancellation;
  - b. Nonrenewal; or
  - c. Material change reducing or restricting coverage;will be provided to that person or organization;
3. Is in effect at the time of the:
  - a. Cancellation;
  - b. Nonrenewal; or
  - c. Material change reducing or restricting coverage; and
4. Is on file at your agent or broker's office for this policy.

**Mailing Address**

The Mailing Address is the address shown for that person or organization in that certificate of insurance.

**AMERISURE INSURANCE COMPANY**  
26777 Halsted Road, Farmington Hills, Michigan 48333-2060  
Phone 1-800-257-1900

**ASSIGNMENT**

Assignment of this policy is valid only with the written consent of this Company.

**POLICY CONTENT**

This policy is made and accepted subject to the foregoing provisions and stipulations and those which follow. These provisions, in addition to those added by amendment or endorsement are a part of this policy.

This policy consists of the Common Policy Declarations, Coverage Parts and endorsements listed in that Declarations form. In return for payment of the premium, the Company agrees with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy.

**PARTICIPATION**

This policy is non-assessable. You may participate in the distribution of dividends to the extent and upon the conditions fixed and determined by the Board of Directors. Dividends cannot be guaranteed. Any distribution will be made in accordance with law.

The Company has by its authorized representative executed and attested to these provisions as reflected below.



Secretary



President

Policy Number: CPP12934821701 Effective Date: 12/31/2012  
Named Insured: CARDINAL BUILDING MATERIALS, INC.

<u>Form Number</u>	<u>Description</u>
<b>COMMON FORMS</b>	
IL 00 03 09 08	CALCULATION OF PREMIUMS
IL 00 17 11 98	COMMON POLICY CONDITIONS
IL 00 21 09 08	NUCLEAR ENERGY LIABILITY EXCLUSION
IL 09 90 01 08	MISSOURI - DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT
IL 70 27 07 01	PRIVACY PROTECTION CONDITION
IL 70 49 06 07-BLK	(BLANKET)EARLIER NOTICE OF CANCELLATION PROVIDED BY US - MISSOURI
CG 21 70 01 08	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
CG 26 25 04 05	MISSOURI CHANGES - GUARANTY ASSOCIATION
CG 26 43 12 04	MISSOURI CHANGES - BINDING ARBITRATION
CG 70 42 04 03	ASBESTOS EXCLUSION ENDORSEMENT
<b>COMPREHENSIVE GENERAL LIABILITY</b>	
CG 00 01 12 07	COMMERCIAL GENERAL LIABILITY COVERAGE
CG 00 68 05 09	RECORDING & DISTRIBUTION OF MATERIAL OR INFO IN VIOLATION OF LAW EXCLUSION
CG 01 34 08 03	MISSOURI CHANGES - POLLUTION EXCLUSION
CG 21 47 12 07	EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG 21 60 09 98	EXCLUSION - YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS
CG 21 67 12 04	FUNGI OR BACTERIA EXCLUSION
CG 21 86 12 04	EXCLUSION - EXTERIOR INSULATION AND FINISH SYSTEMS
CG 21 96 03 05	SILICA OR SILICA-RELATED DUST EXCLUSION
CG 22 79 07 98	EXCLUSION - CONTRACTORS - PROFESSIONAL LIABILITY
CG 25 03 05 09	DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT
CG 26 50 12 98	MISSOURI CHANGES - MEDICAL PAYMENTS
CG 70 70 05 08	ADVANTAGE GENERAL LIABILITY EXTENSION ENDORSEMENT
CG 71 06 10 99	AMENDMENT OF COMMERCIAL GENERAL LIABILITY CONDITIONS NOTICE AND TENDER TO OTHER
CG 71 17 01 01	EXCLUSION - LEAD POISONING OR CONTAMINATION
CG 71 24 12 05	ADVANTAGE BLANKET ADDITIONAL INSURED ENDORSEMENT
CG 71 34 04 05	BODILY INJURY DEFINITION MODIFICATION
CG 71 53 12 06	EXCLUSION-OPERATIONS INCLUDED WITHIN A CONTROLLED INSURANCE PROGRAM
CG 71 55 08 07	ELECTRONIC DATA LIABILITY
CG 71 66 02 09	TOTAL POLLUTION EXCL WITH EXCEPT FOR BLDG HEATING COOL DEHUMID EQP HOSTILE FIRE
<b>EMPLOYEE BENEFITS LIABILITY</b>	
EB 70 01 11 97	EMPLOYEE BENEFITS LIABILITY COVERAGE FORM

**COMMERCIAL GENERAL LIABILITY**  
**CG 00 01 12 07**

# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

## SECTION I – COVERAGES

### COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.



- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

#### **g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
- (b) the operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### **i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

#### **j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

#### **k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

#### **l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

#### **m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

#### **n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

#### **o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

#### **p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

#### **q. Distribution Of Material In Violation Of Statutes**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1)** The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2)** Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b.** This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

#### **i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

#### **j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1)** Advertising, broadcasting, publishing or telecasting;
- (2)** Designing or determining content of websites for others; or

- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Distribution Of Material In Violation Of Statutes**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

**COVERAGE C MEDICAL PAYMENTS**

**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.



**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and

- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

## SECTION II – WHO IS AN INSURED

### 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

### 2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

- (1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

- (2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).



- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
- 2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage **C**;
  - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage **B**.

- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
- 4. Subject to Paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
- 5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
- 6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
- 7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

#### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

#### 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and

(3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

### 3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

#### b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

#### **c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### **5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### **6. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

#### **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

#### **SECTION V – DEFINITIONS**

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- 2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;
    - (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph **a.** above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;
  - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

  - (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

**10.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**11.** "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1)** Power cranes, shovels, loaders, diggers or drills; or
  - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

**(1)** Equipment designed primarily for:

- (a)** Snow removal;
- (b)** Road maintenance, but not construction or resurfacing; or
- (c)** Street cleaning;

**(2)** Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

**(3)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**14.** "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a.** False arrest, detention or imprisonment;
- b.** Malicious prosecution;
- c.** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d.** Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f.** The use of another's advertising idea in your "advertisement"; or
- g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**16.** "Products-completed operations hazard":

**a.** Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1)** Products that are still in your physical possession; or
- (2)** Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a)** When all of the work called for in your contract has been completed.
  - (b)** When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c)** When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

**b.** Does not include "bodily injury" or "property damage" arising out of:

- (1)** The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2)** The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3)** Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17.** "Property damage" means:

**a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

**b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**20.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21.** "Your product":

**a.** Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a)** You;
  - (b)** Others trading under your name; or
  - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**22. "Your work":**

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

(2) The providing of or failure to provide warnings or instructions.



## RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion q. of Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

- B. Exclusion p. of Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.



COMMERCIAL GENERAL LIABILITY  
CG 01 34 08 03

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MISSOURI CHANGES – POLLUTION EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to Subparagraph **f., Pollution** of Paragraph **2., Exclusions** under **Section I – Coverage A – Bodily Injury And Property Damage Liability Coverage** and to Subparagraph **m., Pollution** of Paragraph **2., Exclusions** under **Section I – Coverage B – Personal And Advertising Injury Liability** or to any amendment to or replacement thereof:

This Pollution Exclusion applies even if such irritant or contaminant has a function in your business, operations, premises, site or location.

COMMERCIAL GENERAL LIABILITY  
CG 21 47 12 07

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

COMMERCIAL GENERAL LIABILITY  
CG 21 60 09 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability and Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

### 2. Exclusions

This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" (or "personal and advertising injury" if defined as such in your policy) arising directly or indirectly out of:

a. Any actual or alleged failure, malfunction or inadequacy of:

(1) Any of the following, whether belonging to any insured or to others:

- (a) Computer hardware, including micro-processors;
- (b) Computer application software;
- (c) Computer operating systems and related software;

(d) Computer networks;

(e) Microprocessors (computer chips) not part of any computer system; or

(f) Any other computerized or electronic equipment or components; or

(2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph 2.a.(1) of this endorsement

due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph 2.a. of this endorsement.

COMMERCIAL GENERAL LIABILITY  
CG 21 67 12 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** The following exclusion is added to Paragraph 2.  
**Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a.** "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B.** The following exclusion is added to Paragraph 2.  
**Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a.** "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b.** Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C.** The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

COMMERCIAL GENERAL LIABILITY  
CG 21 70 01 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

COMMERCIAL GENERAL LIABILITY  
CG 21 86 12 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – EXTERIOR INSULATION  
AND FINISH SYSTEMS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:
1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
  2. "Your product" or "your work" with respect to any exterior component, fixture or feature of any structure if an "exterior insulation and finish system", or any substantially similar system, is used on the part of that structure containing that component, fixture or feature.
- B.** The following definition is added to the **Definitions** Section:
- "Exterior insulation and finish system" means a non-load bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure, and consisting of:
1. A rigid or semi-rigid insulation board made of expanded polystyrene and other materials;
  2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
  3. A reinforced or unreinforced base coat;
  4. A finish coat providing surface texture to which color may be added; and
  5. Any flashing, caulking or sealant used with the system for any purpose.

COMMERCIAL GENERAL LIABILITY  
CG 21 96 03 05

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

**C. The following definitions are added to the Definitions Section:**

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

COMMERCIAL GENERAL LIABILITY  
CG 22 79 07 98

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – CONTRACTORS – PROFESSIONAL  
LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2., **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:

1. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional services by you or on your behalf, but only with respect to either or both of the following operations:
  - a. Providing engineering, architectural or surveying services to others in your capacity as an engineer, architect or surveyor; and
  - b. Providing, or hiring independent professionals to provide, engineering, architectural or surveying services in connection with construction work you perform.
2. Subject to Paragraph 3. below, professional services include:
  - a. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
  - b. Supervisory or inspection activities performed as part of any related architectural or engineering activities.
3. Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with your operations in your capacity as a construction contractor.



POLICY NUMBER: CPP12934821701

COMMERCIAL GENERAL LIABILITY  
CG 25 03 05 09

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Designated Construction Project(s):**

THE MERIDIAN, THE BOGAN PROJECT #05474 & #06003, AND THE VENTANA PROJECT #05029.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section **I** – Coverage **A**, and for all medical expenses caused by accidents under Section **I** – Coverage **C**, which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
- 1.** A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
  - 2.** The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage **C** regardless of the number of:
    - a.** Insureds;
    - b.** Claims made or "suits" brought; or
    - c.** Persons or organizations making claims or bringing "suits".
  - 3.** Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
  - 4.** The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

- B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section **I** – Coverage **A**, and for all medical expenses caused by accidents under Section **I** – Coverage **C**, which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
- 1.** Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
  - 2.** Such payments shall not reduce any Designated Construction Project General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.
- D.** If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.
- E.** The provisions of Section **III** – Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

**COMMERCIAL GENERAL LIABILITY  
CG 26 25 04 05**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**MISSOURI CHANGES – GUARANTY ASSOCIATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
ELECTRONIC DATA LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**MISSOURI PROPERTY AND CASUALTY  
INSURANCE GUARANTY ASSOCIATION  
COVERAGE LIMITATIONS**

- A.** Subject to the provisions of the Missouri Property and Casualty Insurance Guaranty Association Act (to be referred to as the Act), if we are a member of the Missouri Property and Casualty Insurance Guaranty Association (to be referred to as the Association), the Association will pay claims covered under the Act if we become insolvent.
- B.** The Act contains various exclusions, conditions and limitations that govern a claimant's eligibility to collect payment from the Association and affect the amount of any payment. The following limitations apply subject to all other provisions of the Act:
1. Claims covered by the Association do not include a claim by or against an insured of an insolvent insurer, if the insured has a net worth of more than \$25 million on the later of the end of the insured's most recent fiscal year or the December thirty-first of the year next preceding the date the insurer becomes insolvent; provided that an insured's net worth on such date shall be deemed to include the aggregate net worth of the insured and all of its affiliates as calculated on a consolidated basis.

2. Payments made by the Association for covered claims will include only that amount of each claim which is less than \$300,000.

However, the Association will not:

- (1) Pay an amount in excess of the applicable limit of insurance of the policy from which a claim arises; or
- (2) Return to an insured any unearned premium in excess of \$25,000.

These limitations have no effect on the coverage we will provide under this policy.

COMMERCIAL GENERAL LIABILITY  
CG 26 43 12 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**MISSOURI CHANGES – BINDING ARBITRATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
ELECTRONIC DATA LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

If we and the insured do not agree whether coverage is provided under this Coverage Part for a claim made against the insured, both parties may, by mutual consent, agree in writing to arbitration of the disagreement.

If both parties agree to arbitrate, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, both parties must request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county or parish in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

COMMERCIAL GENERAL LIABILITY  
CG 26 50 12 98

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**MISSOURI CHANGES – MEDICAL PAYMENTS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. Paragraph 1.a. of Coverage C. Medical Payments is replaced with the following:**

**1. Insuring Agreement**

**a.** We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1)** On premises you own or rent;
  - (2)** On ways next to premises you own or rent; or
  - (3)** Because of your operations;
- provided that:
- (1)** The accident takes place in the "coverage territory" and during the policy period;

- (2)** The expenses are incurred and reported to us within one year of the date of the accident. However, expenses reported to us after one year of the date of the accident will not be denied solely because of the late submission unless such late submission operates to prejudice our rights; and
- (3)** The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ASBESTOS EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

All of the terms, provisions, exclusions, and limitations of the coverage form apply except as specifically stated below.

This insurance does not apply to:

### **ASBESTOS**

"Bodily Injury" or "Personal and Advertising injury" or "Property Damage" arising out of:

- (1)** The removal, replacement, repair, enclosure or encapsulation of asbestos from any building or structure;
- (2)** The use, manufacture, transportation, removal, storage or disposal of asbestos or any substance, goods, products or structures containing asbestos; or
- (3)** The inhalation, ingestion or absorption of asbestos by any person, including any prolonged or repeated exposure to asbestos.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADVANTAGE GENERAL LIABILITY EXTENSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

Under **SECTION I - COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, paragraph **2. EXCLUSIONS**, provisions **1.** through **6.** of this endorsement amend the policy as follows:

#### **1. LIQUOR LIABILITY**

Exclusion **c. Liquor Liability** is deleted.

#### **2. AMENDED FELLOW EMPLOYEE EXCLUSION**

**A.** The following is added to Paragraph **2.a.(1)** of **Section II – Who Is An Insured**:

Paragraphs **(a)**, **(b)** and **(c)** above do not apply to your “employees” that are:

- (i)** Managers;
- (ii)** Supervisors;
- (iii)** Directors; or
- (iv)** Officers;

with respect to “bodily injury” to a “co-employee”.

**B.** This Amended Fellow Employee Exclusion coverage is excess over any other valid and collectible insurance.

#### **3. NONOWNED WATERCRAFT AND NONOWNED AIRCRAFT (HIRED, RENTED OR LOANED WITH PAID CREW)**

Exclusion **g. Aircraft, Auto or Watercraft**, paragraph **(2)** is deleted and replaced with the following:

**(2)** A watercraft you do not own that is:

- (a)** Less than 51 feet long; and
- (b)** Not being used to carry persons or property for a charge;

Exclusion **g. Aircraft, Auto or Watercraft**, paragraph **(6)** is added as follows:

**(6)** An aircraft that you do not own that is:

- (a)** Hired;
- (b)** Rented; or
- (c)** Loaned to you;

with paid crew for a period of five (5) consecutive days or less.

Paragraph **(6)** does not apply if the insured has any other insurance for “bodily injury or “property damage” liability for such aircraft, whether such other insurance is primary, excess, contingent or on any other basis.

#### **4. PREMISES ALIENATED**

**A.** Exclusion **j. Damage to Property**, paragraph **(2)** is deleted.

**B.** The following paragraph is also deleted from Exclusion **j. Damage to Property**:

Paragraph **(2)** of this exclusion does not apply if the premises are “your work” and were never occupied, rented or held for rental by you.

**5. PROPERTY DAMAGE LIABILITY - ELEVATORS AND SIDETRACK AGREEMENTS**

- A.** Exclusion **j. Damage to Property**, paragraphs **(3)** and **(6)** do not apply to the use of elevators.
- B.** Exclusion **k. Damage to Your Product** does not apply to:
  - 1.** The use of elevators; or
  - 2.** Liability assumed under a sidetrack agreement.

**6. PROPERTY DAMAGE LIABILITY – PROPERTY LOANED TO YOU AND PERSONAL PROPERTY IN THE CARE, CUSTODY AND CONTROL OF THE INSURED**

- A.** Exclusion **j. Damage to Property**, paragraphs **(3)** and **(4)** are deleted, however paragraph **3.** is deleted only for this provision **6.**
- B.** Provision **6. A.** above does not apply to "property damage" that exceeds \$25,000 per occurrence or \$25,000 annual aggregate regardless of the number of:
  - 1.** Insureds;
  - 2.** Claims made; or
  - 3.** Persons or organizations making claims.
- C.** This provision **6.** does not apply if Property Damage Coverage Endorsement CG 70 21 is attached to this policy.

The insurance afforded by provisions **1.** through **6.** of this endorsement is excess over any valid and collectible insurance (including any deductible) available to the insured whether primary, excess or contingent, and **SECTION IV.**, paragraph **4. Other Insurance** is changed accordingly.

**7. CONTRACTUAL LIABILITY - PERSONAL AND ADVERTISING INJURY**

Under **SECTION 1 - COVERAGE B.**, paragraph **2. Exclusions**, paragraph **e. Contractual Liability** is deleted.

**8. SUPPLEMENTARY PAYMENTS**

Under **SECTION I - SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**, paragraphs **1.b.** and **1.d.** are deleted and replaced with the following:

- b.** Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- d.** All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

**9. BROADENED WHO IS AN INSURED**

**SECTION II - WHO IS AN INSURED** is deleted and replaced with the following:

- 1.** If you are designated in the Declarations as:
  - a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.



- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**2.** Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees," other than either your "executive officers," (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insured for:

**(1)** "Bodily injury" or "personal and advertising injury":

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of paragraph **(1) (a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs **(1)(a)** or **(b)** above; or
- (d)** Arising out of his or her providing or failing to provide professional health care services except as provided in Provision **10.** of this endorsement.

**(2)** "Property damage" to property:

- (a)** Owned, occupied or used by;
- (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees," "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only;
  - (1)** With respect to liability arising out of the maintenance or use of that property; and
  - (2)** Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
- e. Your subsidiaries if:
  - (1)** They are legally incorporated entities; and
  - (2)** You own more than 50% of the voting stock in such subsidiaries as of the effective date of this policy.

If such subsidiaries are not shown in the Declarations, you must report them to us within 180 days of the inception of your original policy.

- f. Any person or organization to whom you are obligated by virtue of a written contract to provide insurance such as is afforded by this policy, but only with respect to liability arising out of the maintenance or use of that part of any premises leased to you, including common or public areas about such premises if so required in the contract.

However, no such person or organization is an insured with respect to:

- (1) Any "occurrence" that takes place after you cease to occupy those premises; or
  - (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.
- g. Any state or political subdivision but only as respects legal liability incurred by the state or political subdivision solely because it has issued a permit with respect to operations performed by you or on your behalf.

However, no state or political subdivision is an insured with respect to:

- (1) "Bodily injury", "property damage", "personal and advertising injury" arising out of operations performed for the state or municipality; or
  - (2) "Bodily injury" or "property damage" included within the "products-completed operations hazard."
- h. Any person or organization who is the lessor of equipment leased to you to whom you are obligated by virtue of a written contract to provide insurance such as is afforded by this policy, but only with respect to their liability arising out of the maintenance, operation or use by you of such equipment.

However, no such person or organization is an insured with respect to any "occurrence" that takes place after the equipment lease expires.

- i. Any manager, owner, lessor, mortgagee, assignee or receiver of premises, including land leased to you, but only with respect to liability arising out of the ownership, maintenance, or use of that part of the premises or land leased to you.

However, no such person or organization is an insured with respect to:

- (1) Any "occurrence" that takes place after you cease to occupy that premises, or cease to lease the land; or
  - (2) Structural alteration, new construction or demolition operations performed by or on behalf of that person or organization.
- j. Any person or organization granting a license to make or distribute "your products", including "your products" that use the name or logo of such grantor and to whom you are obligated by virtue of a written contract to provide insurance such as afforded by this policy, but only with respect to liability arising out of "your products".
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the end of the policy period;
  - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization;
  - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
4. Any person or organization (referred to below as vendor) with whom you agreed because of a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" that are distributed or sold in the regular course of the vendor's business.

However, no such person or organization is an insured with respect to:

- a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement.
- b. Any express warranty unauthorized by you;
- c. Any physical or chemical change in the product made intentionally by the vendor;

- d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- e. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- f. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.
- g. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
  - (1) The exceptions contained in subparagraphs d. or e.; or
  - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

This insurance does not apply to any insured person or organization from which you have acquired such products, or any ingredient, part of container, entering into, accompanying or containing such products.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

#### 10. INCIDENTAL MALPRACTICE LIABILITY

As respects provision 9., **SECTION II - WHO IS AN INSURED**, paragraph 2.a.(1)(d) does not apply to any nurse, emergency medical technician or paramedic employed by you to provide medical or paramedical services, provided that you are not engaged in the business or occupation of providing such services, and your "employee" does not have any other insurance that would also cover claims arising under this provision, whether the other insurance is primary, excess, contingent or on any other basis.

Under **SECTION III - LIMITS OF INSURANCE**, provisions 11. and 12. of this endorsement amend the policy as follows:

#### 11. AGGREGATE LIMITS PER LOCATION

The General Aggregate Limit applies separately to each of your locations. As respects this provision 11., your locations are premises you own, rent or use involving the same or connecting lots or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

#### 12. INCREASED MEDICAL PAYMENTS LIMIT AND REPORTING PERIOD

- A. The requirement under **SECTION I - COVERAGE C MEDICAL PAYMENTS** that expenses be incurred and reported to us within one year of the date of the accident is changed to three years.
- B. **SECTION III - LIMITS OF INSURANCE**, paragraph 7., the Medical Expense Limit, is subject to all the terms of **SECTION III - LIMITS OF INSURANCE** and is the higher of:
  - 1. \$10,000; or
  - 2. The amount shown in the Declarations for Medical Expense Limit.
- C. This provision 12. does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded either by the provisions of the Coverage Form or by endorsement.

#### 13. LEGAL LIABILITY (SPECIFIC PERILS)

- A. The word fire is changed to "specific perils" where it appears in:
  - 1. The Limits of Insurance section of the Declarations;
  - 2. The last paragraph of **SECTION I - COVERAGE A**, paragraph 2. **Exclusions**;
  - 3. **SECTION IV**, paragraph 4.b. **Excess Insurance**.

- B.** The Limits of Insurance shown in the Declarations will apply to all damage proximately caused by the same event, whether such damage results from a "specific peril" or any combination of "specific perils."
- C.** The Damage to Premises Rented to You Limit described in **SECTION III - LIMITS OF INSURANCE**, paragraph **6.**, is the higher of:
  - (1)** \$300,000; or
  - (2)** The amount shown in the Declarations for Damage to Premises Rented to You Limit.
- D.** This provision **13.** does not apply if Damage to Premises Rented to You of **SECTION I – COVERAGE A** is excluded either by the provisions of the Coverage Part or by endorsement.

Under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, provisions **14.** through **16.** of this endorsement amend the policy as follows:

#### **14. KNOWLEDGE OF OCCURRENCE**

Under **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**, paragraph **a.** is deleted and replaced by the following:

- a.** You must see to it that we are notified as soon as practicable of an "occurrence" or an offense, regardless of the amount, which may result in a claim. Knowledge of an "occurrence" or an offense by your "employee(s)" shall not, in itself, constitute knowledge to you unless one of your partners, members, "executive officers", directors, or managers has knowledge of the "occurrence" or offense. To the extent possible, notice should include:
  - (1)** How, when and where the "occurrence" or offense took place;
  - (2)** The names and addresses of any injured persons and witnesses; and
  - (3)** The nature and location of any injury or damage arising out of the "occurrence" or offense.

#### **15. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS**

Paragraph **6. Representations** is deleted and replaced with the following:

##### **6. Representations**

By accepting this policy, you agree:

- a.** The statements in the Declarations are accurate and complete;
- b.** Those statements are based upon representations you made to us;
- c.** We have issued this policy in reliance upon your representations; and
- d.** This policy is void in any case of fraud by you as it relates to this policy or any claim under this policy.

We will not deny coverage under this coverage part if you unintentionally fail to disclose all hazards existing as of the inception date of this policy. You must report to us any knowledge of an error or omission in the description of any premises or operations intended to be covered by the Coverage Part as soon as practicable after its discovery. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or nonrenewal.

#### **16. TRANSFER OF RIGHTS (BLANKET WAIVER OF SUBROGATION)**

Paragraph **8. Transfer of Rights Of Recovery Against Others To Us** is deleted and replaced with the following:

- 8.** If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. However, if the insured has waived rights to recover through a written contract, or if "your work" was commenced under a letter of intent or work order, subject to a subsequent reduction to writing with customers whose customary contracts require a waiver, we waive any right of recovery we may have under this Coverage Part.

## 17. EXTENDED NOTICE OF CANCELLATION AND NONRENEWAL

In the **COMMON POLICY CONDITIONS**, IL 00 17, Paragraph **2.b.** of **A. Cancellation** is deleted and replaced with the following:

**b.** 60 days before the effective date of cancellation if we cancel for any other reason.

Under **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph **9. When We Do Not Renew** is deleted and replaced with the following:

### 9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 60 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## 18. MOBILE EQUIPMENT REDEFINED

Under **SECTION V - DEFINITIONS**, paragraph **12. "Mobile equipment"**, paragraph **f(1)** does not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight.

## 19. DEFINITIONS

1. **SECTION V – DEFINITIONS**, Paragraph **4. "Coverage territory"** is replaced by the following definition:

4. "Coverage territory" means anywhere in the world with respect to liability arising out of "bodily injury," "property damage," or "personal and advertising injury," including "personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication provided the insured's responsibility to pay damages is determined in a settlement to which we agree or in a "suit" on the merits, in the United States of America (including its territories and possessions), Puerto Rico and Canada.

2. **SECTION V – DEFINITIONS** is amended by the addition of the following definitions:

"Specific Perils" means fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; weight of snow, ice or sleet; or "water damage."

"Water damage" means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**AMENDMENT OF COMMERCIAL  
GENERAL LIABILITY CONDITIONS  
NOTICE AND TENDER TO OTHER INSURERS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

All of the terms, provisions, exclusions, and limitations of the coverage form apply except as specifically stated below.

Under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, the following is added to paragraph **2.c. of Duties In The Event Of Occurrence, Offense, Claim Or Suit**:

- (5)** Promptly give notice of an "occurrence" or offense which may result in a claim, a claim which is made or "suit" to any other insurer which has available insurance for a loss we cover under **Coverages A or B** of this coverage part.
- (6)** Promptly tender the defense of any claim made or "suit" to any other insurer which also has available insurance for a loss which we cover under **Coverage A or B** of this coverage part.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - LEAD POISONING OR CONTAMINATION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY POLICY**

All other terms, provisions, exclusions, and limitations of the policy apply except as specifically stated below.

1. Under **A. COVERAGES**, Item **2. Exclusions** is amended by the addition of the following:

#### **Lead Poisoning or Contamination**

This insurance does not apply to:

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened ingestion, inhalation, absorption, dispersal or escape of lead in any form.
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead; or
  - (b) Claim or suit by or on behalf of any person, organization or governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADVANTAGE BLANKET ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

All of the terms, provisions, exclusions, and limitations of the coverage form apply except as specifically stated below.

**SECTION II - WHO IS AN INSURED** is amended to include as an insured any person or organization, called an additional insured in this endorsement:

1. Whom you are required to add as an additional insured on this policy under a written contract or agreement relating to your business; or
2. Who is named as an additional insured under this policy on a certificate of insurance.

However, the written contract, agreement or certificate of insurance must require additional insured status for a time period during the term of this policy; and be executed prior to the "bodily injury", "property damage", "personal injury", or "advertising injury" giving rise to a claim under this policy.

If, however, "your work" was commenced under a letter of intent or work order, subject to a subsequent reduction to writing within 30 days from such commencement and with customers whose customary contracts require they be named as additional insureds, we will provide additional insured status as specified in this endorsement.

3. If the additional insured is:
  - (a) An individual, their spouse is also an additional insured.
  - (b) A partnership or joint venture, members, partners, and their spouses are also additional insureds.
  - (c) A limited liability company, members and managers are also additional insureds.
  - (d) An organization other than a partnership, joint venture or limited liability company, executive officers and directors of the organization are also additional insureds. Stockholders are also additional insureds, but only with respect to their liability as stockholders.
  - (e) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

The insurance provided to the additional insured is limited as follows:

1. That person or organization is only an additional insured with respect to liability arising out of:
  - (a) Premises you own, rent, lease, or occupy, or
  - (b) Your ongoing operations performed for that additional insured, unless the written contract agreement, or certificate of insurance requires "your work" coverage (or wording to the same effect) in which case the coverage provided shall extend to "your work" for that additional insured.

Premises, as respects this provision, shall include common or public areas about such premises if so required in the written contract or agreement.



Ongoing operations, as respects this provision, does not apply to "bodily injury" or "property damage" occurring after:

- (1) All work including materials, parts or equipment furnished in connection with such work on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or
  - (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
2. The limits of insurance applicable to the additional insured are the least of those specified in the written contract or agreement, or in the certificate of insurance or in the Declarations for this policy. If you also carry an Umbrella policy, and the written contract or agreement or certificate of insurance requires that the additional insured status also apply to such Umbrella policy, the limits of insurance applicable to the additional insured under this policy shall be those specified in the Declarations of this policy. The limits of insurance applicable to the additional insured are inclusive of and not in addition to the limits of insurance shown in the Declarations.
  3. The additional insured status provided by this endorsement does not extend beyond the expiration or termination of a lease or rental agreement nor beyond the term of this policy.
  4. This endorsement does not apply to vendors of "your products" or any person or organization included as an insured under the provisions of Section II – WHO IS AN INSURED in the COMMERCIAL GENERAL LIABILITY FORM or in the BROADENED WHO IS AN INSURED provision of the ADVANTAGE GENERAL LIABILITY EXTENSION ENDORSEMENT if attached to this policy.

The insurance provided to the additional insured does not apply to "bodily injury", "property damage", "personal injury", or "advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services including but not limited to:

1. The preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, design specifications; and
2. Supervisory, inspection, or engineering services.

**SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended by the following provisions:

Condition **4. Other Insurance** is deleted and replaced with the following:

**4. Other Insurance.**

This insurance is excess over any other insurance whether primary, excess, contingent or on any other basis, unless the written contract, agreement, or certificate of insurance requires that this insurance be primary, in which case this insurance will be primary without contribution from such other insurance available to the additional insured.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BODILY INJURY DEFINITION MODIFICATION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

**All other terms, provisions, exclusions, and limitations of the policy apply except as specifically stated below.**

**SECTION V - DEFINITIONS**, Item **3.** "Bodily injury" is deleted and replaced with the following:

**3.** "Bodily injury"

**a.** Means physical:

- (1)** Injury;
- (2)** Disability;
- (3)** Sickness; or
- (4)** Disease;

sustained by a person, including death resulting from any of these at any time.

**b.** Includes mental:

- (5)** Anguish;
- (6)** Injury;
- (7)** Humiliation;
- (8)** Fright; or
- (9)** Shock;

sustained by a person who has sustained any "bodily injury" described in paragraph **3.a.**, provided that any "bodily injury" described in paragraph **3.b.** results directly from any "bodily injury" described in paragraph **3.a.**

**c.** All "bodily injury" described in paragraph **3.b.** shall be deemed to have occurred at the time the "bodily injury" described in paragraph **3.a.** occurred.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION –OPERATIONS INCLUDED WITHIN A  
CONTROLLED INSURANCE PROGRAM**

This endorsement modifies the insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

All other terms, provisions, exclusions, and limitations of the policy apply except as specifically stated below.

**The following exclusion is added to SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, paragraph 2. Exclusions:**

This insurance does not apply to “bodily injury” or “property damage” arising out of either your ongoing operations or operations included within the “products-completed operations hazard” if such operations were at any time included within a “controlled insurance program” for a construction project in which you are or were involved.

This exclusion applies whether or not the “controlled insurance program” provides:

- (1)** Coverage identical to that provided by this Coverage Form;
- (2)** Limits adequate to cover all claims; or
- (3)** Coverage that remains in effect.

This exclusion applies regardless of whether such operations are or were conducted by you or on your behalf.

This exclusion does not apply to your operations away from a “controlled insurance program” project site incidental to the support of such a project and not included within the “controlled insurance program”.

This exclusion does not apply to the “products-completed operations hazard” if such operations were included within a “controlled insurance program” and coverage provided by the “controlled insurance program” for the “products-completed operations hazard” has terminated.

**C. The following is added to Section V - Definitions**

“Controlled insurance program” means a construction, erection or demolition project for which the prime contractor/project manager or owner of the construction project has secured general liability insurance covering some or all of the contractors or subcontractors involved in the project, otherwise referred to as an Owner Controlled Insurance Program (O.C.I.P.) or Contractor Controlled Insurance Program (C.C.I.P.).

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ELECTRONIC DATA LIABILITY**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A.** Exclusion **2.p.** of **Coverage A – Bodily Injury And Property Damage Liability** in **Section I – Coverages** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that does not result from physical injury to tangible property.

- B.** The following definition is added to the **Definitions** Section:

"Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- C.** For the purposes of the coverage provided by this endorsement, the definition of "Property Damage" in the **Definitions** Section is replaced by the following:

**17.** "Property damage" means:

- a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it;
- b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it; or
- c.** Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate "electronic data", resulting from physical injury to tangible property. All such loss of "electronic data" shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

**TOTAL POLLUTION EXCLUSION WITH EXCEPTIONS FOR BUILDING  
HEATING, COOLING AND DEHUMIDIFYING EQUIPMENT; HOSTILE FIRE;  
CONTRACTOR JOB SITE; AND SEWAGE BACKUP**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

All terms of the coverage form apply except as specifically stated below.

Exclusion f. under Paragraph 2., **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

**f. Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to:

- (a) "Bodily injury" if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
  - (b) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:
    - (i) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
    - (ii) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".
  - (c) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor.
  - (d) "Bodily injury" or "property damage" sustained within a building caused by the sudden and accidental backup or discharge of "sewage" through sewers, drains or pipes.
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

**Section V – DEFINITIONS**

The following definition is added to the **Definitions** section:

"Sewage" means refuse liquids or waste matter carried off by sewers, drains or pipes.

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## EMPLOYEE BENEFITS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (Section II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (Section V).

The provisions of this policy apply only as respects Employee Benefits Liability coverage. All other terms and conditions of any other policy issued to you by us shall not be affected by any provision of this policy

### SECTION I - COVERAGE

#### 1. Insuring Agreement

We will pay those sums that the insured becomes legally obligated to pay as damages because of any negligent act, error or omission of the insured committed in the "administration" of your "employee benefit program." This insurance applies only to negligent acts, errors or omissions which occur during the policy period. The negligent acts, errors, or omissions must take place in the "coverage territory".

We will have the right and duty to defend any "suit" seeking these damages. However, we will have no duty to defend the insured against any "suit" seeking damages for any negligent acts, errors or omissions to which this insurance does not apply. We may at our discretion, investigate any report of a negligent act, error or omission and settle any claim or "suit" that may result. But:

- a. The amount we will pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE**; and
- b. Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **3. Supplementary Payments** which follows.

#### 2. Exclusions

This insurance does not apply to:

- a. "Bodily injury," "property damage," "personal injury" or "advertising injury";
- b. Loss arising out of failure of an insured to perform a contract;
- c. Loss arising out of failure of an insurer to perform a contract;
- d. Loss arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by an insured;
- e. Loss arising out of any insufficiency of funds to meet any obligations under any plan included in the "employee benefit program";
- f. Any claim or "suit" based upon:
  - (1) Failure of any investment to perform as represented by any insured or by the plan provider on behalf of the insured; or
  - (2) Advice given to any person to participate or not to participate in any plan included in the "employee benefit program";

- g.** Loss arising out of the insured's failure to comply with mandatory provisions of laws concerning:
  - (1)** Workers' Compensation;
  - (2)** Unemployment Insurance;
  - (3)** Social Security;
  - (4)** Disability benefits; or
  - (5)** Any similar law.
- h.** Loss arising out of liability of an insured as a fiduciary under:
  - (1)** EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974; or
  - (2)** INTERNAL REVENUE CODE OF 1986 (including the INTERNAL REVENUE CODE OF 1954); and
  - (3)** Any amendments of **1.** and **2.** above.
- i.** Loss arising out of any discriminatory act committed in the "administration" of your "employee benefit program".

### **3. Supplementary Payments**

We will pay with respect to any claim we investigate or settle or any "suit" we defend:

- a.** All expenses we incur.
- b.** The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
- c.** All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- d.** All costs taxed against the insured in the "suit".
- e.** Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- f.** All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

These payments will not reduce the Limit of Insurance.

### **SECTION II - WHO IS AN INSURED**

- 1.** If you are designated in the Declarations as:
  - a.** An individual, you and your spouse are insureds.
  - b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:
  - a. Your "employees" who have been given responsibility for the "administration" of your "employee benefit program" as part of their regular job duties, but only for acts within the scope of their duties.
  - b. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this coverage part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
  - b. Coverage under this provision does not apply to any negligent act, error or omission that occurred before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### **SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought;
  - c. Persons or organizations making claims or bringing "suits";
  - d. Acts, errors or omissions which result in loss; or
  - e. Plans included in your "employee benefit program."
2. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions committed in the "administration" of your "employee benefit program."
3. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee," including the "employee's" dependents and beneficiaries, because of acts, errors or omissions committed in the "administration" of your "employee benefit program".

The limits afforded by this coverage part apply separately to each consecutive annual period, and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

#### **4. DEDUCTIBLE**

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Declarations as applicable to Each Employee. The Limits of Insurance applicable to Each Employee will be reduced by the amount of this deductible. The Aggregate Limit will not be reduced by the application of such deductible.
- b. The deductible amount stated in the Declarations applies to all damages sustained by an "employee" because of an act, error or omission covered by this insurance.



- c. The terms of this insurance, including those with respect to:
  - (1) Our right and duty to defend "suits" seeking those damages; and
  - (2) Your duties in the event of an act, error, omission, claim or "suit;"apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of a claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for that part of the deductible amount paid by us.

#### **SECTION IV - EMPLOYEE BENEFITS LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of An Act, Error, Omission, Claim or Suit**

- a. You must see to it that we are notified as soon as practicable of any act, error or omission which may result in a claim. Notice should include:
  - (1) A description of the act, error or omission and when it occurred.
  - (2) The name and address of any "employee" or beneficiary who may suffer damages as a result of the act, error or omission.Notice of any act, error or omission is not notice of a claim
- b. If a claim is received by any insured, you must:
  - (1) Immediately record the specifics of the claim and the data received; and
  - (2) Notify us as soon as practicable.You must see to it that we receive written notice of the claim as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
  - (4) Assist us, upon request, in the enforcement of any rights against any person or organization which may be liable to the insured because of damages to which this insurance may also apply.
- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent; to do so will jeopardize your coverage under this policy.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against the insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### **4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under this coverage part, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with any other insurance by the method described in **b.** below.

**b. Method of Sharing**

If the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it:

(1) Has paid its applicable limit of insurance; or

(2) None of the loss remains;

whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable limits of insurance of all insurers.

#### **5. Premium Audit**

**a.** We will compute all premiums for this Coverage Part in accordance with our rules and rates.

**b.** Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premium paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

**c.** The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### **6. Representations**

By accepting this policy, you agree:

**a.** The statements in the Declarations are accurate and complete.

**b.** Those statements are based on representations you made to us; and

**c.** We have issued this policy in reliance upon your representations.

#### **7. Separation of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies;

**a.** As if each Named Insured were the only Named Insured; and

**b.** Separately to each insured against whom claim is made or "suit" is brought.

#### **8. Transfer of Rights of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

## **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## **SECTION V - DEFINITIONS**

1. "Administration" means:
  - a. Providing information to "employees," including their dependents and beneficiaries, with respect to the "employee benefit program";
  - b. Handling records in connection with the "employee benefit program";
  - c. Effecting or terminating any "employee's" participation in a plan included in the "employee benefit program".
2. "Advertising injury" means injury arising out of one or more of the following offenses:
  - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - b. Oral or written publication of material that violates a person's right of privacy;
  - c. Misappropriation of advertising ideas or style of doing business; or
  - d. Infringement of copyright, title or slogan.
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.
5. "Employees" mean your officers, partners and employees whether actively employed, disabled or retired.
6. "Employee benefit program" means the following plans:
  - a. "Pension plans" under the Employee Retirement Income Security Act; and
  - b. "Welfare benefit plans" under the Employee Retirement Income Security Act.
7. "Executive officers" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
9. "Pension plans" mean any plan, fund, or program which is established or maintained by an employer or by an employee organization (such as a labor union), or by both, to the extent that by its express terms or as a result of surrounding circumstances such plan, fund, or program (1) provides retirement income to employees, or (2) results in a deferral of income by employees for periods extending to the termination of covered employment or beyond regardless of the method of calculating the contributions made to the plan, the method of calculating the benefits under the plan, or the method of distributing benefits from the plan. This definition includes all qualified pension, profit-sharing, stock bonus, and similar plans.
10. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor.
  - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral or written publication of material that violates a person's right of privacy; or

11. "Property damage" means:
  - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
12. "Suit" means a civil proceeding in which damages are alleged because of an act, error or omission to which this insurance applies. "Suit" includes:
  - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
13. "Welfare benefit plans" mean any plan, fund, or program established or maintained by an employer or by an employee organization, or by both, for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, medical, surgical, or hospital care or benefits, or benefits in the event of sickness, accident, disability, death or unemployment, or vacation benefits, apprenticeship or other training programs, or day care centers, scholarship funds, or prepaid legal services.

# POLICY CHANGES

Policy Change Number: 1C

<b>POLICY NUMBER</b> CPP-1293482-17	<b>POLICY CHANGES EFFECTIVE</b> 12/31/12	<b>COMPANY</b> Amerisure Insurance Company	
<b>GROUP NUMBER</b>	<b>ACCOUNT NUMBER</b> 10875350	<b>POLICY PERIOD</b> From 12/31/12 To 12/31/13	
<b>NAMED INSURED</b> Cardinal Building Materials, Inc.		<b>AUTHORIZED REPRESENTATIVE</b> Cornerstone Insurance Group, Inc.	
<b>COVERAGE PARTS AFFECTED</b> Commercial Property			
<b>CHANGES</b>			
<b>This endorsement will not be used to decrease coverages, increase rates or deductibles or alter any terms or conditions of coverage unless at the sole request of the insured.</b>			
<input type="checkbox"/> Insured's Name	<input type="checkbox"/> Insured's Mailing Address		
<input type="checkbox"/> Policy Number	<input type="checkbox"/> Company		
<input type="checkbox"/> Effective/Expiration Date	<input type="checkbox"/> Insured's Legal Status/Business of Insured		
<input type="checkbox"/> Payment Plan	<input type="checkbox"/> Premium Determination		
<input checked="" type="checkbox"/> Additional Interested Parties	<input type="checkbox"/> Coverage Forms and Endorsements		
<input type="checkbox"/> Limits/Exposures	<input type="checkbox"/> Deductibles		
<input type="checkbox"/> Covered Property/Location Description	<input type="checkbox"/> Classification/Class Codes		
<input type="checkbox"/> Rates	<input type="checkbox"/> Underlying Insurance		
is (are) changed to read <b>{See Additional Page(s)}</b> :			
AMENDING MOTGAGEE'S AND LOSS PAYEE'S PER ATTACHED CO DS 70 00 & CO 1072			
The above amendments result in a change in the premium as follows:			
<input checked="" type="checkbox"/> NO CHANGES	<input type="checkbox"/> TO BE ADJUSTED AT AUDIT	ADDITIONAL PREMIUM \$	RETURN PREMIUM \$
This endorsement reflects a net premium change of:			
Total Policy Premium:			
Taxes and Surcharges:			
Balance to Minimum:			
<b>REMOVAL PERMIT</b>	If Covered Property is removed to a new location that is described on this Policy Change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.		

Authorized Representative Signature

## COMMAND<sup>®</sup> DECLARATIONS COMMERCIAL OUTPUT PROGRAM

POLICY NUMBER: **CPP1293482**

COMPANY NAME: **AMERISURE INSURANCE COMPANY**

PRODUCER NAME AND NUMBER: **CORNERSTONE INSURANCE GROUP, LLC**

NAME OF INSURED: **CARDINAL BUILDING MATERIALS, INC.**

MAILING ADDRESS:  
C/O TOM LIESSE  
3634 PENNRIDGE  
ST. LOUIS, MO 63044

POLICY PERIOD: From: 12-31-12 To: 12-31-13  
at 12:01 a.m. Standard Time at your mailing address shown above.

IN RETURN FOR YOUR PAYMENT OF THE PREMIUM, WE PROVIDE THE INSURANCE AS  
DESCRIBED IN THIS POLICY.

BUSINESS DESCRIPTION: CORPORATION

MORTGAGE HOLDER NAME AND MAILING ADDRESS:

FIRST STATE BANK OF ST. LOUIS  
120 JEFFERSON  
ST. CHARLES, MO 63303  
FIRST BANK  
11901 OLIVE BLVD, LOWER LEVEL  
ST. LOUIS, MO 63141

LOCATION ADDRESS:

605 ARROW LANE, O'FALLON, MO

ALL

FORMS APPLICABLE TO ALL COVERAGES:

SEE CODS7101(02-06)

### RATES AND PREMIUM

A. Nonreporting

Premium \$ 78,040

B. Reporting

1. Deposit Premium	\$ <u>N/A</u>
2. Minimum Annual Premium	\$ <u></u>
3. Reporting Period	<u></u>
4. Premium Adjustment Period	<u></u>
5. Rates	\$ <u></u>

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**CO DS 70 00 02 06**

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CO 1072 04 02  
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## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- ☒ Loss Payable  
☐ Lender's Loss Payable  
☐ Contract of Sale

### SCHEDULE

<u>Location</u>	<u>Covered Property</u>	<u>Name and Address of Loss Payee</u>
1	BUSINESS PERSONAL PROPERTY	UNITED RENTALS 13575 NORTHWEST INDUSTRIAL DRIVE BRIDGETON, MO 63044
1	PERSONAL PROPERTY	FIRST STATE BANK OF ST. LOUIS 120 JEFFERSON ST. CHARLES, MO 63301
1,3 & 7	PERSONAL PROPERTY	REGIONS BANK 8182 MARYLAND AVENUE SUITE 200 ST. LOUIS, MO 63105
1	BUSINESS PERSONAL PROPERTY	ONE SOURCE RENTAL 10 CENTRAL INDUSTRIAL DRIVE, #8 GRANITE CITY, IL 62040
ALL	PERSONAL PROPERTY	FIRST BANK 11901 OLIVE BLVD, LOWER LEVEL ST. LOUIS, MO 63141

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CO 1072 04 02  
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## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- ☒ Loss Payable  
☐ Lender's Loss Payable  
☐ Contract of Sale

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### SCHEDULE

---

<u>Location</u>	<u>Covered Property</u>	<u>Name and Address of Loss Payee</u>
1	BUSINESS PERSONAL PROPERTY - EDP	VAR RESOURCES, INC. ITS SUCCESSORS AND ASSIGNS 2330 INTERSTATE 30 MESQUITE, TX 75150



# POLICY CHANGES

Policy Change Number: 2C

<b>POLICY NUMBER</b> CPP-1293482-17	<b>POLICY CHANGES EFFECTIVE</b> 05/13/13	<b>COMPANY</b> Amerisure Insurance Company	
<b>GROUP NUMBER</b>	<b>ACCOUNT NUMBER</b> 10875350	<b>POLICY PERIOD</b> From 12/31/12 To 12/31/13	
<b>NAMED INSURED</b> Cardinal Building Materials, Inc.		<b>AUTHORIZED REPRESENTATIVE</b> Cornerstone Insurance Group, Inc.	
<b>COVERAGE PARTS AFFECTED</b> Commercial Property			
<b>CHANGES</b>			
<b>This endorsement will not be used to decrease coverages, increase rates or deductibles or alter any terms or conditions of coverage unless at the sole request of the insured.</b>			
<input type="checkbox"/> Insured's Name	<input type="checkbox"/> Insured's Mailing Address		
<input type="checkbox"/> Policy Number	<input type="checkbox"/> Company		
<input type="checkbox"/> Effective/Expiration Date	<input type="checkbox"/> Insured's Legal Status/Business of Insured		
<input type="checkbox"/> Payment Plan	<input type="checkbox"/> Premium Determination		
<input checked="" type="checkbox"/> Additional Interested Parties	<input type="checkbox"/> Coverage Forms and Endorsements		
<input type="checkbox"/> Limits/Exposures	<input type="checkbox"/> Deductibles		
<input type="checkbox"/> Covered Property/Location Description	<input type="checkbox"/> Classification/Class Codes		
<input type="checkbox"/> Rates	<input type="checkbox"/> Underlying Insurance		
is (are) changed to read <b>{See Additional Page(s)}</b> :			
Adding Volvo Rents as Loss Payee per CO 1072, attached.			
The above amendments result in a change in the premium as follows:			
<input checked="" type="checkbox"/> NO CHANGES	<input type="checkbox"/> TO BE ADJUSTED AT AUDIT	ADDITIONAL PREMIUM \$	RETURN PREMIUM \$
This endorsement reflects a net premium change of:			
Total Policy Premium:			
Taxes and Surcharges:			
Balance to Minimum:			
<b>REMOVAL PERMIT</b>	If Covered Property is removed to a new location that is described on this Policy Change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.		

Authorized Representative Signature

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CO 1072 04 02  
Page 1 of 1

## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- ☒ Loss Payable  
☐ Lender's Loss Payable  
☐ Contract of Sale

### SCHEDULE

<u>Location</u>	<u>Covered Property</u>	<u>Name and Address of Loss Payee</u>
1	BUSINESS PERSONAL PROPERTY	UNITED RENTALS 13575 NORTHWEST INDUSTRIAL DRIVE BRIDGETON, MO 63044
1	PERSONAL PROPERTY	FIRST STATE BANK OF ST. LOUIS 120 JEFFERSON ST. CHARLES, MO 63301
1,3 & 7	PERSONAL PROPERTY	REGIONS BANK 8182 MARYLAND AVENUE SUITE 200 ST. LOUIS, MO 63105
1	BUSINESS PERSONAL PROPERTY	ONE SOURCE RENTAL 10 CENTRAL INDUSTRIAL DRIVE, #8 GRANITE CITY, IL 62040
ALL	PERSONAL PROPERTY	FIRST BANK 11901 OLIVE BLVD, LOWER LEVEL ST. LOUIS, MO 63141

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CO 1072 04 02  
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## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- ☒ Loss Payable  
☐ Lender's Loss Payable  
☐ Contract of Sale

---

### SCHEDULE

---

<u>Location</u>	<u>Covered Property</u>	<u>Name and Address of Loss Payee</u>
1	BUSINESS PERSONAL PROPERTY - EDP	VAR RESOURCES, INC. ITS SUCCESSORS AND ASSIGNS 2330 INTERSTATE 30 MESQUITE, TX 75150
	LEASED/RENTED EQUIPMENT	VOLVO RENTS 2231 PAPIN STREET SAINT LOUIS, MO 63103

# POLICY CHANGES

Policy Change Number: 2C

<b>POLICY NUMBER</b> CPP-1293482-17	<b>POLICY CHANGES EFFECTIVE</b> 11-15-13	<b>COMPANY</b> AMERISURE INSURANCE COMPANY	
<b>GROUP NUMBER</b>	<b>ACCOUNT NUMBER</b> 10875350	<b>POLICY PERIOD</b> From 12-31-12 To 12-31-13	
<b>NAMED INSURED</b> CARDINAL BUILDING MATERIALS, INC.		<b>AUTHORIZED REPRESENTATIVE</b> CORNERSTONE INSURANCE GROUP,	
<b>COVERAGE PARTS AFFECTED</b> COMMERCIAL PROPERTY			
<b>CHANGES</b>			
<b>This endorsement will not be used to decrease coverages, increase rates or deductibles or alter any terms or conditions of coverage unless at the sole request of the insured.</b>			
<input type="checkbox"/> Insured's Name	<input type="checkbox"/> Insured's Mailing Address		
<input type="checkbox"/> Policy Number	<input type="checkbox"/> Company		
<input type="checkbox"/> Effective/Expiration Date	<input type="checkbox"/> Insured's Legal Status/Business of Insured		
<input type="checkbox"/> Payment Plan	<input type="checkbox"/> Premium Determination		
<input checked="" type="checkbox"/> Additional Interested Parties	<input type="checkbox"/> Coverage Forms and Endorsements		
<input type="checkbox"/> Limits/Exposures	<input type="checkbox"/> Deductibles		
<input type="checkbox"/> Covered Property/Location Description	<input type="checkbox"/> Classification/Class Codes		
<input type="checkbox"/> Rates	<input type="checkbox"/> Underlying Insurance		
is (are) changed to read <b>{See Additional Page(s)}</b> :			
IT IS HEREBY AGREED TO AMEND THE MORTGAGEE AND LOSS PAYEE SCHEDULES PER ATTACHED.			
The above amendments result in a change in the premium as follows:			
<input checked="" type="checkbox"/> NO CHANGES	<input type="checkbox"/> TO BE ADJUSTED AT AUDIT	ADDITIONAL PREMIUM \$	RETURN PREMIUM \$
This endorsement reflects a net premium change of:			
Total Policy Premium:			
Taxes and Surcharges:			
Balance to Minimum:			
<b>REMOVAL PERMIT</b>	If Covered Property is removed to a new location that is described on this Policy Change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.		

Authorized Representative Signature

## COMMAND<sup>®</sup> DECLARATIONS COMMERCIAL OUTPUT PROGRAM

POLICY NUMBER: **CPP1293482**

COMPANY NAME: **AMERISURE INSURANCE COMPANY**

PRODUCER NAME AND NUMBER: **CORNERSTONE INSURANCE GROUP, LLC**

NAME OF INSURED: **CARDINAL BUILDING MATERIALS, INC.**

MAILING ADDRESS:  
C/O TOM LIESSE  
3634 PENNRIDGE  
ST. LOUIS, MO 63044

POLICY PERIOD: From: 12-31-12 To: 12-31-13  
at 12:01 a.m. Standard Time at your mailing address shown above.

IN RETURN FOR YOUR PAYMENT OF THE PREMIUM, WE PROVIDE THE INSURANCE AS DESCRIBED IN THIS POLICY.

BUSINESS DESCRIPTION: CORPORATION

MORTGAGE HOLDER NAME AND MAILING ADDRESS:

Regions Bank  
PO Box 12926  
Birmingham, AL 35202

LOCATION ADDRESS:

3634 Prnneidge Dr  
605 Arrow Lane  
4565 McRee Avenue

FORMS APPLICABLE TO ALL COVERAGES:

SEE CDS7101(02-06)

### RATES AND PREMIUM

A. Nonreporting

Premium \$ 78,040

B. Reporting

1. Deposit Premium	\$ <u>N/A</u>
2. Minimum Annual Premium	\$ <u></u>
3. Reporting Period	<u></u>
4. Premium Adjustment Period	<u></u>
5. Rates	\$ <u></u>

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**CO DS 70 00 02 06**

AAIS  
CO 1072 04 02  
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## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- ☒ Loss Payable  
☐ Lender's Loss Payable  
☐ Contract of Sale

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### SCHEDULE

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<u>Location</u>	<u>Covered Property</u>	<u>Name and Address of Loss Payee</u>
1	BUSINESS PERSONAL PROPERTY	UNITED RENTALS 13575 NORTHWEST INDUSTRIAL DRIVE BRIDGETON, MO 63044
All	BUSINESS PERSONAL PROPERTY	REGIONS BANK PO BOX 12926 BIRMINGHAM, AL 35202
1,3 & 7	PERSONAL PROPERTY	REGIONS BANK 8182 MARYLAND AVENUE SUITE 200 ST. LOUIS, MO 63105
1	BUSINESS PERSONAL PROPERTY	ONE SOURCE RENTAL 10 CENTRAL INDUSTRIAL DRIVE, #8 GRANITE CITY, IL 62040

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CO 1072 04 02  
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## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement  
will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- ☒ Loss Payable  
☐ Lender's Loss Payable  
☐ Contract of Sale

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### SCHEDULE

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<u>Location</u>	<u>Covered Property</u>	<u>Name and Address of Loss Payee</u>
1	BUSINESS PERSONAL PROPERTY - EDP	VAR RESOURCES, INC. ITS SUCCESSORS AND ASSIGNS 2330 INTERSTATE 30 MESQUITE, TX 75150
	LEASED/RENTED EQUIPMENT	VOLVO RENTS 2231 PAPIN STREET SAINT LOUIS, MO 63103

## AUDIT SUMMARY

AMERISURE INSURANCE COMPANY

POLICY NUMBER	AGENCY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION/ CANCELLATION DATE	DATE
CPP12934821701	0305674	12/31/2012	12/31/2013	02/05/2014
ACCOUNT NUMBER	ISSUING OFFICE			
10875350	ST LOUIS BRANCH			

**INSURED**

CARDINAL BUILDING MATERIALS, INC.  
C/O TOM LIESSE  
3634 PENNRIDGE DR  
BRIDGETON, MO 63044-1229

**AGENCY**

THE CORNERSTONE INSURANCE GROUP, LLC

**Coverage Form:**

COMPREHENSIVE GENERAL LIABILITY

**Premium Period:** 12/31/2012

**IL**

Loc	Class Code	Description	Subline	Rate	Exposure	Premium
002	10255	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL	PREM/OPS	0.5200	1,081,758	563.00
002	10255	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL	PROD/COMOPS	0.4900	1,081,758	530.00
004	49451	VACANT LAND - OTHER THAN NOT-FOR-PROFIT - PRODUCTS/COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT	PREM/OPS		10	9.00
		TERRORISM - FEDERAL BACKSTOP				4.00

**MO**

Loc	Class Code	Description	Subline	Rate	Exposure	Premium
001	10255	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL	PREM/OPS	0.4220	2,866,890	1,210.00
001	10255	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL	PROD/COMOPS	0.3340	2,866,890	958.00
001	91585	CONTRACTORS - SUBCONTRACTED WORK - IN CONNECTION WITH CONSTRUCTION, RECONSTRUCTION, REPAIR OR ERECTION OF BUILDINGS	PREM/OPS	0.8280	0	0.00



001	91585	CONTRACTORS - SUBCONTRACTED WORK - IN CONNECTION WITH CONSTRUCTION, RECONSTRUCTION, REPAIR OR ERECTION OF BUILDINGS	PROD/COMOPS	0.4610	0	0.00
003	10255	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL	PREM/OPS	0.4220	7,762,501	3,276.00
003	10255	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL	PROD/COMOPS	0.3340	7,762,501	2,593.00
003	54077	GLASS OR GLASSWARE MFG.	PREM/OPS	0.1880	55,643	10.00
003	54077	GLASS OR GLASSWARE MFG.	PROD/COMOPS	0.4580	55,643	25.00
017	10255	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL	PREM/OPS	0.4220	0	0.00
017	10255	BUILDING MATERIAL DEALERS - OTHER THAN SECONDHAND MATERIAL	PROD/COMOPS	0.3340	0	0.00
010	61212	BUILDINGS OR PREMISES - BANK OR OFFICE - MERCANTILE OR MANUFACTURING (LESSOR'S RISK ONLY) - OTHER THAN NOT-FOR-PROFIT ONLY - PRODUCTS/COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT	PREM/OPS		12,500	179.00
012	49451	VACANT LAND - OTHER THAN NOT-FOR-PROFIT - PRODUCTS/COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT	PREM/OPS		5	3.00
		TERRORISM - FEDERAL BACKSTOP				34.00

**Non Auditable Coverages**

ADVANTAGE BLANKET ADDITIONAL INSURED	434.00
ADVANTAGE GENERAL LIABILITY EXTENSION ENDORSEMENT	500.00

**Coverage Form:**

EMPLOYEE BENEFITS LIABILITY

Premium Period: 12/31/2012

MO

Loc	Class	Description	Subline	Rate	Exposure	Premium
	Code					

001 92100 EMPLOYEE BENEFITS LIABILITY COVERAGE

EBL

25

375.00

Total Audited Premium	10,703.00
Less Advance and/or Reported Premium	15,835.00
Difference	-5,132.00

**THIS IS NOT AN INVOICE. Any premium charge or return for this policy will be reflected on your next statement.**